University of Huddersfield Repository

Retolaza, Jose Luis and San-Jose, Leire

Single case research methodology: a tool for moral imagination in business ethics

Original Citation


This version is available at http://eprints.hud.ac.uk/id/eprint/31757/

The University Repository is a digital collection of the research output of the University, available on Open Access. Copyright and Moral Rights for the items on this site are retained by the individual author and/or other copyright owners. Users may access full items free of charge; copies of full text items generally can be reproduced, displayed or performed and given to third parties in any format or medium for personal research or study, educational or not-for-profit purposes without prior permission or charge, provided:

- The authors, title and full bibliographic details is credited in any copy;
- A hyperlink and/or URL is included for the original metadata page; and
- The content is not changed in any way.

For more information, including our policy and submission procedure, please contact the Repository Team at: E.mailbox@hud.ac.uk.

http://eprints.hud.ac.uk/
<table>
<thead>
<tr>
<th><strong>Journal</strong></th>
<th>Management Research Review</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Manuscript ID</strong></td>
<td>MRR-07-2016-0179.R1</td>
</tr>
<tr>
<td><strong>Manuscript Type</strong></td>
<td>Original Article</td>
</tr>
<tr>
<td><strong>Keywords</strong></td>
<td>case study, business ethic, hypothesis, falsationism, decision-makers, religion</td>
</tr>
</tbody>
</table>
SINGLE CASE RESEARCH METHODOLOGY: A TOOL FOR MORAL 
IMAGINATION IN BUSINESS ETHICS

Abstract
Purpose – Although there are often utilized the case research method for teaching 
purposes, it is not a method employed to move forward in scientific research into 
business ethics, perhaps due to criticism levelled against it. The precise aim of this work 
is to expound and argue for its use within the framework of scientific hypothetical- 
deductive methodology.

Design/methodology/approach – The opportunities offered by this methodological 
approach, both from an inductive (Eisenhardt, 1989; Dyer and Wilkins, 1991) and a 
deductive perspective (Yin, 1993; Carson et al., 2000) have been wasted, creating a 
need for scientific contributions within this area; hence this study. It was carried on a 
theoretical approach of the use of single case applied to corporate management based on 
religion and spirituality inclusion.

Findings – The results obtained indicate that the single case research method makes it 
possible to put forward alternative hypotheses to the dominant hypothesis, making 
contributions to the theory. Concretely, the scientific legitimacy of its use is justified by 
what it has been called “possibilistic hypothesis” for what it is not necessary to collect a 
large data or make an empiric research.

Practical implications – In the field of business ethics these hypotheses (possibilistics) 
make alternatives stand out that widen the moral responsibility of decision-makers. It 
implies an open mind for decision-makers and rigorous arguments using just a single 
case. Reinforce and make them easier based on moral imagination improvement.

Originality/value – It is complex the decision process, but this rich method, the single- 
case study could permit establishing rigorous and robust decisions easily. It is not use 
the case study widely for management, but this perspective could enrich and increase its 
use.

Key Words: Case Study, Business Ethics, Religion, Falsationism, decision-makers, 
hypothesis.

EconLit: M140, P130, Q130.

Introduction

The experiment that the CERN (European Laboratory for Particle Physics) carried out 
in September 2011 concerning the speed at which neutrinos travel has challenged 
Einstein’s Special Theory of Relativity. In this respect and regardless of the fact that the 
Opera Project (Oscillation Project with Emulsion-tRacking Apparatus) has had cabling 
and measurement problems that invalidate the conclusions, the truth is that a single case 
study can question a theory that has been in force for more than a century. But this is 
nothing new, for Einstein’s Theory was itself verified in 1919 by Eddington by means 
of a famous single analysis involving the observation of the curvature of light as it 
passed near the sun during an eclipse. In this classic example, a single case serves to 
refute or validate a complex theory.
But what is the situation in the economic sphere and, more specifically, in business ethics? Is it useful for moral imagination? The complexity of socio-economic reality makes it very hard to control intervening variables and generalise the results obtained. This is even more evident in the micro-economic area, where specific single companies are to be dealt with, and the aggregation of data distorts the real distinguishing characteristics of each company. This problem produces two antagonistic and incomplete results. In the first case this is due to working with general aggregated data within the framework of quantitative methodologies where specific differentiated information for each company ends up losing its significance. Quantitative methodologies certainly enable the identification and quantification of a good number of companies but the statistical treatment employed means that divergent data are dispensed with, either licitly due to error, or illicitly through the elimination of discordant data. The second case lies at the other extreme, and occurs because qualitative case analysis is used to understand complex company reality, forgetting the scientific rigor that must accompany any attempt at attaining the general option (Christians et al., 2015; Thiel et al., 2013; Hoffman et al., 2014).

In this regard, the “possibilistic” hypothesis concerning the methodology we develop and defend in this paper does not require lots of data, since a single fact, which does not necessarily have to be searched but achieved, allows ethical reflection. Moreover, the problem that this work addresses and will in consequence provide an answer to, revolves around the possibility and advisability of using single cases within the framework of scientific hypothetical-deductive methodology. Concretely, the utility of case analysis in scientific methodology will be determined and argued from the perspective of business ethics so as to increase the scientific rigor of its use in research (Christians et al., 2015; Hoffman et al., 2014); giving scientific character to ethical reflection based on a single data.

Case analysis as such is not a new methodology, as is shown by the fact that it has been widely employed for teaching purposes, in relation to both management and ethics (Eisenhardt, 1989; McDonald, 2004; Bird & Hughes, 1997; Otley & Berry, 1994; Patton & Appelbaum, 2003; among many others). Nevertheless, the opportunities offered by this methodological approach, both from an inductive (Eisenhardt, 1989; Dyer and Wilkins, 1991) and a deductive perspective (Yin, 1993; Carson et al., 2000) have been wasted, creating a need for scientific contributions within this area; hence this study. So, in the present work, through analytical-synthetic methodology we set out to demonstrate the utility of single cases in their relation to scientific methodology and, more specifically, the hypothetical-deductive method, applied to the field of business ethics and the utility for moral imagination. This demonstration will be posed in two complementary ways, on the one hand, as a process of logical justification, and on the other, showing the importance that the single case, or the analysis of a limited number of cases, has had in devising theories within the sphere of economics.

The results that have been reached demonstrate that single case study, without any other extra data, makes it possible to put forward hypotheses alternative to the dominant
hypothesis, and these we have termed possibilistic hypotheses. This generation of possible alternatives is crucial for moral decisions to be made, as only where there is an alternative can there be morality (Aristotle, 1941). Thereby, this research method can be used with little comment, critique or epistemological context.

Likewise, the possibilistic hypotheses open an important area of interaction between religion and/or spirituality and the company itself. Neoclassical economic has created a scenario that gives manager little freedom of decision; because the main activity of manager is based on obtaining efficient results of the entity (see for example Walger et al., 2016), according to the laws that govern the operation of the companies. In this line; it is important to take into consideration that the capacity of managers refers only to decisions on uncertain data, and there are not decisions based on normative ethics derived from different anthropological or social models. This paradigm, supported by a clearly tautological mathematical formalization, tends to avoid ethical behaviour, as long as it does not refer to professional ethics. And to a greater extent, to eradicate any proposal that tries to seek the centrality of the economy in something alien to itself. This is the case of religions, where economics is instrumental to a higher order purpose. In this sense is the criticism of Pope Francis to the dictatorship of techno-economics (Laudato Si), and his call to overcome the dichotomy between economy and common good, proposing the need for it to respond to a truly human objective (Evangelii Gaudium). Nevertheless, this religious reflection, which in the case of the Catholic Church is classified in the denominated Social Doctrine of the Church, does not have easy accommodation in the field of business management, since a significant number of its precepts collides frontally with some of the main laws admitted in the economy. From this perspective, the critical single case presented in this paper is shown as an instrument to identify divergent empirical experiences that open the window to alternative normative approaches, creating a space of possibility through which ideological or spiritual elements of religions, whose can be transposed to the scientific research and management of organizations.

This paper is structured over four sections. After the introduction and the exposition of an analytical approach to the scientific method, highlighting the relevance of the hypothetical-deductive method and the conditions of refutation, section three sets out the characteristics of methodologies based on single cases; specifically, case analysis and quasi-experimental methodology. Then the possibilities offered by single case methodology in relation to the refutation of dominant hypotheses are explained, in addition to highlighting and expounding the argumentation that supports what we have termed the alternative possibilistic hypothesis. Lastly, and before the conclusions, we analyse the opportunities that this approach produces within the sphere of business ethics and it is shown with some case examples.

Business Ethics and the Hypothetical-Deductive Method
Correlation, induction and the hypothetical-deductive method as Scientific Methodologies in the Social Sciences: particular conceptions

In the social sciences the methodology or structured process aimed at obtaining true explanations of social circumstances can be rooted in different methodological approaches. The inductive and the hypothetical-deductive methods are the most developed in formal terms (George & Bennett, 2005); the correlation method has also been included, however, due to being considered as part of the Symmetry Thesis introduced by Blaug (1980). The implications of these three methodologies are very different in their relation with the problem we are tackling in this work. Immediately below there is followed some observations regarding each method:

1. Correlation\textsuperscript{1}: where ethical decisions are concerned, suppositions grounded in correlation methodologies are always questionable in their applicability to a single practical case and, consequently, do not constitute a fixed framework of reference for possibilities of choice (see Simon [1954] or Brett [2004] for a proper analysis in this regards). The problem is aggravated when the correlation methodology is spuriously associated with the hypothetical-deductive method and, skipping the differentiation between the exploratory and the confirmatory stage, transforms into a hypothesis a correlation previously obtained that is validated afterwards in line with the same data. In such a case, however, we are not confronting a problem of scientific methodology, but one of inexperience or a lack of ethics in the research; and rejection of the assumption is clear provided that the research process is known.

2. Induction\textsuperscript{2}: it is always at least hypothetically possible for information to appear that contradicts the causal relation established, so that, although the observations lead us to think B will occur because A has occurred, we cannot be sure that the next observation will confirm this. Precisely for this reason, inductive methodology is not suitable for establishing causal relations (Popper, 1982), and assumptions based on this methodology are particularly prone to refutation by single case study, as we go on to analyse in a later section.

\textsuperscript{1} Correlation indicates the degree of association between two variables; this is open to interpretation in descriptive terms. Two quantitative variables are correlated when the values for one of them, A, let us say, systematically vary with regard to the homonymous values of the other, B, both in the same and in opposite directions. Superficially, correlation gives a false impression of causality, giving rise to fallacies known as “post hoc” and as “cum hoc ergo propter hoc” (Damer, 1995); correlation per se, however, does not imply any causal relation between variables. In the words of Box, Hunter and Hunter (2008: 9): “Correlation between two variables X and Y is often produced because both variables are associated with a third factor W”.

\textsuperscript{2} Induction as a methodology for establishing causal relations has always been used as a method throughout the history of humanity; but the criticism of its pretensions to truth made by logical rationalism is convincing, in that something universal cannot be asserted from the particular data offered by experience (Popper, 1967; 1982).
3. Lastly, the hypothetical-deductive method\textsuperscript{3}: it proves to be more complete than the inductive method in that, in the observation stage of the phenomenon to be studied, normally known as the exploratory stage, it incorporates the data known with regard to a particular phenomenon in their entirety. Nevertheless, following Popper’s postulates (1967, 1982), a hypothesis is considered to be impossible to demonstrate through an accumulation of data, which repeats the problem experienced with induction; and the only verification possible lies in the impossibility of falsifying the hypothesis or the theory in question. So, from this perspective, the scientist should falsify the hypotheses by means of some type of contrast, and falsification of the former would be derived from their results, as would, in consequence, the need to propose alternative hypotheses more consistent with reality; or, otherwise, provisional acceptance of the hypotheses. As a result, the fact that an observation is in agreement with a proposition or a prediction does not confirm the theory, which does not mean that it does not to some degree corroborate it, depending on the rigour of the comparison; in the opposite case, the comparison would have led to rejection of the proposition.

Although in the later sections we might refer to correlation methodology and the inductive method, we are definitely of the opinion that the former, in not acquiring scientific status, can only be considered to fall within techniques linked with hypothetical-deductive methodology, while the second falls within the exploratory stage of the hypothetical-deductive method. The investigation, then, fundamentally concentrates on analysing the potentiality of the single case within the area of hypothetical-deductive research in the field of company and business ethics.

\textit{A methodological perspective through business ethics}

Ethical decisions in companies are powerfully conditioned by underlying economic reasoning (Melé, 2010; Hoffman et al., 2014); furthermore, a great number of ethical problems in companies stem from a conflict between personal good and common good (Argandona, 1998; Sison & Fontrodona, 2012; Dembinski, 2008), or from the distribution of a positive / negative impact between a set of participants (Gupta et al., 1998). While this problem is of great interest, what this work will specifically tackle are the underlying economic assumptions that allow us to attribute a specific value to a concrete decision.

So, following an assumption to describe the phenomenon we are referring to, it would, for instance, prove of great interest to analyse an ethical problem concerning “the characteristics of the people I shall sack in order to reduce the costs of a company and

\textsuperscript{3} Hypothetical-deductive method is the procedure currently followed by scientific research, and has exercised the most influence on scientific development. For Popper (1982), it is a logical thought process for producing new knowledge and approaching the truth. This method can be broken down into various sequential steps in the research process: observation of the phenomenon under study, creation of a hypothesis to explain the phenomenon, deduction of the most elementary consequences or propositions of the actual hypothesis, and verification or corroboration of the truth of the principles deduced through comparison with experience.
ensure its survival” (decision-making problem from an ethical perspective); this work, however, will take on “the underlying supposition that we shall ensure company survival by reducing staff” (assessment problem from an ethical perspective). Continuing with the example, if it is really necessary to cut down on staff to guarantee the survival of the company \([x \implies y]\), the problem of ethical decision focuses on what criteria will determine how to go about the dismissals; but if alternative options exist \([\neg x \implies y]\) then the ethical decision must focus on seeking other alternatives to dismissals.

It might be true that the search for these underlying causal relations is not a problem of ethical discipline and that it belongs to other research areas in economics and business studies and, in general, the social sciences; but to no critically accept these premises and base the analysis of moral decisions on them certainly involves a very serious problem of “omission”. It will therefore be important to be able to reply to the following question: how can we mitigate this problem via ethical discipline? As noted Feyerabenn (1997) science is conservative in its methods, which particularly affects the social sciences, and in particular the ethics; because of that with the aim of verify a hypothesis it is needed to work with a comprehensive set of data from the past, what causes significant delays in the integration of new perspectives and approach to understanding the new phenomena. Moreover, the maintenance of the null hypothesis although it will be in doubt, involves the robustness of previously established knowledge and this makes it difficult modification of the null hypothesis. This, together with the natural resistance of people to change our mindset, proven by Kuhn (1975), leading to maintenance of "conventional wisdom" (Galbraith, 1958) and generate a significant delay in amending that knowledge, furthermore the incorporation into other related scientific disciplines is stopped. From ethical point, this is a major ethical problem; because moral choices can be enduring scientific or conventional inadequate knowledge. Regarding social discipline it is a challenge to be able to find shortcuts, within the scientific framework of knowledge that allows us to anticipate this new knowledge, minimizing possible delays associated with their development and incorporation. This paper shows how possibilistic hypothesis based on single case methodology enable that ethics introduce alternative or future knowledge in their analysis and decision parameters.

**Single case methodology**

Socio-economic reality and, consequently, business ethics is a matter of “complex thought” (Morin, 2011), where the approach to the study of a phenomenon can be tackled from two conflicting perspectives: one holistic, the other reductionist. The first refers to an analysis involving the whole or multiple whole; and the second, to a study by parts. In general terms scientific research is not capable of undertaking the holistic

---

4 For example, as it is explained later on a following section the Spanish organization Lantegibatuak (www.lantegi.org) in period of credit crisis in terms of getting the common good and with the aim to increase the social value with excess production capacity they choose to create spaces for leisure, where workers can use the surplus time.
understanding of the whole, and is focussed from an analytic-synthetic perspective of a markedly reductionist kind (Soldevilla, 1995), where the phenomenon is broken down into its constituent parts in order to afterwards integrate those parts within a comprehensive overview. In this process of division and integration, it is necessary to suppress information and variables, as what allows us to apply scientific research is precisely this reductionism.

The main methodologies that we can identify for studying one or more hypotheses are: the experiment, the study of cases and questionnaires. They are shown in the following table, where it must be borne in mind that the participatory observation has been incorporated in the “Case Study” section, where the cases may be single or multiple (see Table 1).

[Insert Table 1 here]

Of the three methods proposed in the above table -experiment, case study and survey- the only one that excludes single cases is the questionnaire methodology, which by definition demands work with a minimum number of cases. However, both experiment and case analysis seem to start out from the unit, and a scientific approach would not be linked so much to multiplicity as to replicable behaviour. Despite this methodological diversity we are aware that empirical research within the company area and business ethics almost exclusively employs the survey method (Brigley, 1995), which is attributed greater “scientificity”, perhaps because the multiple problems of sampling, internal and external validity that it displays are masked by the “hidden hand” (Hischman, 1967) constituted by numerical “reality”. Continuing with this critical perspective, we may consider that some of the problems attributed to case analysis are unfounded. Of the five misunderstandings identified by Flyvbjerg (2006) about case studies we find particularly interesting the second error relate to the belief that the results from case studies cannot be generalized, and that therefore the single case study cannot contribute to scientific development. The third critic or misunderstanding is referred to that case study is not useful to generate hypotheses, while other methods are more suitable for hypothesis testing and theory construction; but we do not agree with this point. We consider that using a single case –falsify view- an empirical contrast of falsification can be made (overcoming third misunderstanding); and it is possible to propose some kind of generalization (overcoming second misunderstanding), which contributes to the development of theory (overcoming third misunderstanding).

Over recent years the use of questionnaires in social science investigations has been on the increase; this is, at least, demonstrated by specific business ethics analyses that have been carried out (Robertson, 1993; Randall & Gibson, 1990; Hosmer, 2000). In spite of the numerous contributions and benefits of the questionnaire-based method, “Simpson’s paradox” (1951) (or the Yule-Simpson effect) (Simpson, 1951; Yule, 1900) reveals that
relations of causality established by aggregated data do not match those thrown up by disaggregated data. This assertion proves to be particularly significant in business ethics, where the assumptions are generally supported by aggregated data and the moral decisions will be implemented in singular cases.

In terms of experimental design, another technique, the fact is that the quasi-experimental design has been widely used in research related to the company, let alone business ethics. Nevertheless it is important to notice that the quasi-experimental research in business ethics probably will have a significant correlation with the development rise that is taking experimental economics.

Retaking the thesis of case analysis and with the aim to a better understanding of its actual use in business a clear differentiation can be distinguished between cases within the sphere of teaching and research cases (Myers, 2009), as is reflected in the following table (Table 2).

[Insert Table 2 here]

Case analysis has been abundantly used in business ethics; however, its use has been directed toward teaching whilst it has not received support from the research area due probably to its results being perceived as lacking in reliability and the fact that they are complex and difficult to disseminate (Brinkmann & Ims, 2004). Following Rosen (1991) in this regard, we might point out that there is scant acceptance in scientific publications of articles based on case methodology. Similarly, after consulting the editors of the five main ethical journals (the European Business Ethics Network-Spain lists them in alphabetical order: Business and Professional Ethics Journal, Business Ethics: A European Review, Business Ethics Quarterly, Journal of Business Ethics, Journal of Business Ethics Education) during 2016 concerning the number of articles published using case analysis research methodology, we can conclude that there is a large gap and lack in the use of this research method, because there are not significant articles that systematically incorporate case analysis as research method. So, we may assume that the deficit in research and in publication probably functions as a negative cycle that generates a sensation of a “lack of scientificity” where the use of the single case scientific research method is concerned; but this does not have to be the case.

The case study as a research methodology is particularly relevant not only in teaching but also in research let us say that it is, for instance, of special relevance for those cases where a current phenomenon requires in-depth analysis, within its real context. Particularly when the boundaries between phenomenon and context are not clearly

---

5 The consultation process has been conducted via mail, which has been accompanied by an own review of the titles, abstracts and keywords of the articles’ indexes of the most relevant journals on business ethics. This study is purely exploratory, but highly explanatory. It has done on April 2016.
evident this method is as valid as any of the others more frequently used (Yin, 2009). In this regard, Stake (1995) had already pointed to the use of case analysis within three complementary areas: 1) the intrinsic area, when the phenomenon is very complex and does not lend itself to generalisations; 2) the instrumental, to grasp or capture an emergent reality; and 3) collective analysis, when a concrete phenomenon is analysed via several cases. In harmony with these authors case analysis may be deemed to be of particular interest when the phenomenon is contemporary or emergent; when it is hard to isolate and control the intervening variables; and when a complete analysis of the phenomenon is sought. They are all aspects that can be observed in phenomena associated with the field of business ethics.

Most works connected with case analysis have been used in the exploratory phase for the generation of hypotheses; nevertheless, it is a methodology that can be employed explanatorily for hypothesis verification (Benbasat et al., 1987), as can be appreciated in the following table (Table 3).

Independent of the undeniable potential of case analysis in the descriptive and exploratory stages, it can definitively also be highly useful in hypothesis testing, especially from the perspective of refutation, where single case study may be sufficient to falsify a hypothesis. Likewise, multiple case works can increase explanatory value, generating what Creswell (2007) terms ‘multiple bounded systems’. In spite of all the contributions of these methods and their unquestionable benefits, whose validity we do not challenge, this work is grounded in a defence of the single case as a scientific methodology for testing hypotheses.

In the utilisation of cases in scientific research two approaches are employed: the positive and the interpretative approach (Myers, 2009). Without rejecting the potentiality of the latter, we will focus on the former, which is more widely accounted for and accepted (Yin, 2003; Dubé & Paré, 2003), where a good case analysis in the scientific area must meet five requirements: a problem, propositions, units of analysis, logic that links the data with the propositions and criteria for interpreting the results.

From the foregoing it is evident that not just any case analysis will meet the conditions. For this method to have explanatory effects within the research area it must, on the one hand, be critical for the refutation of the hypothesis; and, on the other, the case must be well formulated so that it enables replicability by other researchers. The main criticisms levelled and the principal problems attributed to case analysis will thereby be solved,

---

6 See the matrix proposed by Campbell (1975) to realize the potential of case analysis as part of scientific methodology, taking into account four characteristics of the different methods; descriptive, explanatory, and predictive control.
including lack of objectivity or rigor (Reményi et al., 1998), or even an absence of generalisation.

Single case refutation. Possibilistic hypotheses

In continuity with the approach of Yin (1981), Benbasat et al. (1987) and Eisenhardt (1989), we consider that single case methodology can be used in the context of hypothetical-deductive methodology. In first place, in the explanatory phase, leading to deeper knowledge of the phenomenon studied. In second place, at the confirmatory stage, through the refutation of hypotheses using single case study.

What can be deduced from the foregoing is that the single case will make it possible to refute the hypothesis provided that the hypothesis verified is, the type:

∀x : P(x)  [for all x is given P]

If we find through case analysis or quasi-experimental methodology that:

∃x : ¬P(x)  [There is some x in which P does not]

the consequence derived is that:

¬∀x : P(x)  [It is not the case that for all x is P]

Insofar as it is possible for there to be a multiple case analysis the number of cases in which P were not met could be increased, producing a subset of cases instead of a single case:

{x : ¬P(x)}  [There is a set of x for which there is no P]

While it is true that this inductive accumulation of negative cases proves to be insignificant in the initial logic of falsifiability (Popper, 1967), in later works both Popper himself (1982), and Lakatos (1983) in particular, reject this naive falsifiability because they consider that a case is highly unlikely to be capable of falsifying a hypothesis and, far less, a theory. The following are the three main reasons why naive falsifiability does not work (Lakatos, 1983). The first, that it is very difficult to identify experiments or crucial cases in the refutation of theories, although this is less the case when dealing with the refutation of hypotheses. The second, and this is very important for our discipline, when these negative tests are produced, the scientific community tends to pressure researchers so that they revise their methods, their data or their conclusions. In the third case, theories use ad-hoc hypotheses far more often than might be expected. Kuhn’s thesis (1975) that a theory is not refuted until a generational change takes place is widely known. Whatever the case, the resistance of theories to refutation should make us more critical towards them; and ought to forewarn us about assumptions accepted in the field of business ethics, since both Lakatos (1983) and
Kuhn (1975), and even Popper himself, emphasise acceptance by the scientific community as a criterion for refutation.

In this regard, a single case will be unlikely to refute an established theory, and far less will it be able to propose an alternative theory; perhaps that is why it has been left out to a substantial degree as a tool for scientific research. Single cases can, however, serve to refute concrete hypotheses derived from theory, above all if these hypotheses are translated from the positive to the normative sphere. The following table (Table 4) presents a summary of the process that it is explained below.

[Insert Table 4 here]

Thus, if we have a normative proposition like this:

$$\forall x : \Box P(x) \text{ [For all } x \text{ there is necessarily } P]$$

And we are able to identify a case in which:

$$\exists ! x : \neg P(x) \text{ [There is at least one } x \text{ for which there is no } P]$$

we can certainly not conclude that $$\forall x : \neg P(x) \text{ [For all } x \text{ not given } P]$$, nor even that in most cases that relation will be given, but what we are able to determine is that:

$$\forall x : \neg \Box P(x) \text{ [For all } x \text{ is not necessary that } P], \text{ and hence } \forall x : \Diamond \neg P(x) \text{ [For all } x \text{ it is possible that not } P]$$

This possibility, alternative to the dominant assumptions and the normative hypotheses stemming from them, has been termed a “possibilistic hypothesis”\(^7\) in this work, and its great virtue is that it opens up a space of freedom and independence in the ethical decision; for moral imagination (Werhane, 1999; 2008). So the single case becomes a key methodology for the generation of “possibilistic hypotheses” (Johnson, 1993), since, through the quantitative analysis of aggregated secondary data, it will be very hard to falsify generalist hypotheses, particularly when they come from the accumulated heritage of culture, science and management.

From our perspective the possibilistic hypothesis does not necessarily have to become a hypothesis alternative to the previously accepted hypothesis, because a single or even multiple case is unlikely to facilitate such a leap. Nevertheless, the possibilistic

\(^7\) It is an alternative hypothesis capable of falsifying the null hypothesis, but incapable of being imposed as an alternative hypothesis of reference, since, in turn, it could be falsified in multiple contexts. It adequately reflects the “exception that confirms the rule”. Only the accumulation of many of these exceptions would change the theory (rule). But it proves that, although the theory may be the best to explain the facts, it is not able to optimize all contextual situations, thus breaking the strict normative character. (If \((x) \rightarrow (y)\). Since if \((x)\) is possible \((y)\) [majority solution]; and no \((y)\) [the possibilistic solution]).
hypothesis suggests to us that there are actually forms of causal explanation that are alternative to \( P \) in relation to \( x \), and that consequently the normative postulates derived from them are not consistent. So then, the single case does not allow us, supposing that \( p \) and \( q \) are alternative, to postulate that \( \forall x : \Box \neg P(x) \) [For all \( x \) is necessary no \( P \)], but it does let us postulate that \( \forall x : \Diamond \neg P(x) \) [For all \( x \) is possible no \( P \)]; in this regard the single case opens up a realm of freedom, critical for moral decision (Godwin, 2015; Werhane, 2008). This and other explanations explained in previous sections are shown in the following Figure (Figure 1).

[Insert Figure 1 here]

The rigor and reliability of the postulates posed comes from the confirmation of various multiple antecedents for the use of single or multiple cases, not all of which are aimed at generating possibilistic hypotheses, but they lie on the most radical plane; the production of theories. So, for instance, we have the case of Coase, Nobel Prize winner for Economics in 1991 for his property rights theory that was developed through the well-known and much cited article entitled “The Problem of Social Cost” (1960), in which scientific conclusions are arrived at from a set of cases, some of which are even of a hypothetical nature. And we also have the equally renowned article by Demsetz (1967) under the title “Toward a Theory of Property Rights”, where the Labrador Peninsula case plays a crucial role in the grounding of his argumentation. Then again the recent Nobel Prize Elinor Ostrom employs case analysis (Ostrom, 1990; 1994; 1998) to refute the commonly accepted thesis, based precisely on works by Coase (1960), that property rights are the best way of avoiding the “tragedy of the commons” described by Hardin (1968); this was in turn based on a fictitious case by the mathematician Lloyd (1833). It is evident, and also argued through in all these examples involving laureate economists, that single case study is fundamental; or has at least been so, in terms of the grounding of theoretical contributions in the sphere of economic sciences. Strangely enough, these are economic contributions that undeniably transcend towards ethics, which does not, at least formally and directly, employ the research method. If the economic and business research used the single method research and indirectly their conclusions affect ethical issues; the reasons for non-use this method in ethics are inappropriate; then it would be useful the use of the single research method in business ethics directly. It therefore seems that the use of the case method is totally legitimate, not only for business ethics teaching but also for business ethics research, and possesses great potential judging by the results that are produced by it.

Case examples of applicability based on region and spirituality on companies’ management
We will shown the possibilistic hypothesis using five cases that refute the theory, because at least, there is a case that do not follow the normality; they are all relate to region and spirituality in the basic and also based on the management of companies and decision-making.

The first case illustrates the transposition of the principle of centrality of the person, typical of the Social Doctrine of the Church, in a context of surplus production, where the techno-economic option imposes the principle of adjustment between demanded productive capacity and manpower. In case for an organization reducing their demand that results in a surplus of labour, traditional knowledge would propose a reduction of labour to fit the optimal operational \[ \forall x: P(x) \]. The ethical decision in this situation will be reduced to the executive aspects related to the reduction \[ \forall x: \Diamond P(x) \]. However, we find that at least an organization called Lantegi Batuak, instead of temporarily or permanently reduce staff chooses to fill staff with fun activities (table tennis, football ...) \[ \exists x: P(y) \]. Consequently, although the easy answer should be reduce the staff, with this case it is shown that when there is an excess of staff there are at least two alternative decisions: reducing staff or occupy it with other non-productive activities. This second option is the hypothesis explained in this paper called possibilistic hypothesis \[ \exists x: \neg \Diamond P(x) \]. The decisions will not the same for all organizations or in all countries (suppose that the decision will be taken in countries in which the labour policy is flexible), of course; it is not the aim of this argument; hold workers in a non-productive activity, but it is an option that decision makers should consider being overstuffed \[ \forall Md(x): \Diamond P(x) \vee \neg P(x) \].

In a second case, we will consider the requirement of bank transparency, demanded by Islamic religion, to verify that there is no interest collection, prohibited by that religion. In the banking, the case of bank transparency is relevant as well; because traditional knowledge provides that banks’ transparency is limited by bank secrecy, since this is necessary for financial institutions to carry out their activity \[ \forall x: P(x) \]. However, we can identify multiple instances of ethical banks totally transparent in the placement of its assets \[ \exists x: P(y) \]. May not be possible to propose that all banks should be fully transparent but is an option \[ \exists x: \neg \Diamond P(x) \] that could take, and therefore should be approached from an ethical perspective \[ \forall Md(x): \Diamond P(x) \vee P(x) \].

The third case, more generalized actually has its origin in the opposition to any war; and in general, to the exigencies of religions, that the business activity does not contradict the moral principles defended by that religion. In case that we accept that an investment portfolio with the aim to produce a minimum return must be diversified within the inclusion of companies in a sector of dubious morality \[ \forall x: P(x) \], the decision about the composition of the Ethical Fund will focus on include the companies causes the least negative impact \[ \forall x: \Diamond P(x) \]. In an extended analysis using the possibilistic hypothesis the answer will be after take into account that perhaps one or more investment funds get similar returns without including companies in this morally dubious sector \[ \exists x: P(y) \] \[ \forall x: \neg \Diamond P(x) \]. Therefore decision-makers should ask the
ethical appropriateness of including or no companies of the dubious sector in the investment portfolio \[ \forall \text{Md}(x): \Diamond P(x) \lor \neg P(x) \].

Following, the fourth case is based on Mondragon Corporation (one of the biggest cooperative companies holding in the World, see [www.mondragon-corporation.com](http://www.mondragon-corporation.com)). This group is precisely created for putting into practice the principle of cooperation based on the Social Doctrine of the Church, and main leit motiv of the founder of the group was the leader of this movement; the priest Jose Maria Arizmendiarrrieta (see [http://www.canonizacionarizmendiarrrieta.com/es/biografia/](http://www.canonizacionarizmendiarrrieta.com/es/biografia/)). For cash management it is generally accepted the rule on advancing collects from clients and delay payments for suppliers \[ \forall x: P(x) \], with the margin that allows us the Law and the power asymmetry \[ \forall x: \Box P(x) \]. However, it will be possible to identify some entities seeking joint optimization of cash flows \[ \exists x: P(y) \]; which transforms a technical problem into an ethical problem \[ \forall x: \neg \Box P(x) \], because ethically will be necessary to ask about the impact of our cash management decision into the other organization \[ \forall \text{Md}(x): \Diamond P(x) \lor \neg P(x) \].

Another fifth case is based on the spirituality basic. It is commonly accepted that the professional development of workers is beneficial insofar as it contributes value to the company \[ \forall x: P(x) \], but the spiritual scope thereof is somewhat alien to business management \[ \forall x: \Box P(y) \] (Mitroff & Denton, 1999). However, in the economy of communion, we can find that the development of spirituality becomes the fundamental goal of organization \[ \exists x: P(y) \]; so that it is possible that the purpose of a company consists in the spiritual development of its workers \[ \forall \text{Md}(x): \Diamond P(x) \lor \Diamond P(y) \].

To sum up, there are wide and varied cases in which a single case generates a possibilistic hypothesis that increases the degree of freedom in the decision (see Table 4). This hypothesis creates an ethical problem on an issue where none existed before, because there was no degree of freedom in the decision; but it opens to the morality.

Conclusions

The consequence of the de facto exclusion of single cases within the economic sciences field, has, to all purposes, been the defence of conventional wisdom. Statistical inference in particular has shielded itself against type II errors, so that it is much more complicated to verify a valid alternative hypothesis, than to confirm pre-existing knowledge; in consequence, the use of statistical data, especially if they be of a secondary kind, demands a significant delay between the appearance of a phenomenon and the possibility of analysing it. Complementarily, the complexity of theoretical systems does not permit the substitution of such data, even when they have been amply falsified. Therefore, although statistical inference is widely utilised in scientific research within the hypothetical deductive framework, this methodology is hardly apt for confronting new problems; and particularly those that demand ethical decision; or those...
where the ethical decision does not match the postulates established by conventional wisdom.

In this work an argument is made for single case methodology, through case analysis. The explained hypotheses that we have defined as “possibilistic hypothesis” can question or even refute causal relations accepted by conventional knowledge. These relations might be critical for ethical decision-making, so, the capacity of verifying, via single cases, that such a relation does not have a necessary condition, opens the door to the possibility of alternative ethical options. It is a great implication for moral imagination (Werhane, 2008). In this regard, even when single case analysis does not enable substitution of the dominant hypothesis by another alternative, it does make it possible to demonstrate that this hypothesis is not always fulfilled, generating a sphere of alternative freedom, the scope of which is as yet unknown.

Scientific possibility in the use of single case study as a tool for generating “possibilistic hypotheses”, may lean towards a reconciliation between scientific methodology and new emergent economic phenomena, in that business ethical researchers can approach the latter through hypothetical deductive methodology and make specific alternative contributions, without being obliged to replace the entire underlying theory or enter into manifest contradictions with it.

In the field of business ethics, where decisions demand immediacy and precision, “possibilistic hypotheses” produce spheres of liberty and it could increases the ability to make optional decisions and the corresponding moral responsibility in decision-making. In consequence, for researchers in business ethics, the establishment of “possibilistic hypotheses”, in the cases where they exist, is in turn an ethical commitment, in the sense that it is essential to communicate to decision-makers all the aspects of reality that might have a bearing on the taking of a decision.

To sum up, this paper shows for the legitimacy that given hypotheses within the area of business ethics; the “possibilistic hypotheses”, which make it possible to propose alternatives that facilitate or increase the moral responsibility of decision-makers.

In relation to the field of religion and spirituality, the possibilistic hypotheses allow three areas of applicability, on the one hand, it is feasible to use in the corporate management the principles and proposals from doctrinal corpus of each religion. On the other hand, it is permitted the applicability of religion and spirituality to the proper management of religious entities, making it possible to develop a specific and differential management in relation to entities governed by other purposes or values. This second aspect of applicability, tend to generate virtuous circles, because it would allow new experiences that could be analyzed as unique alternative cases, and they could be based on religion and spirituality. Last but not least, the possibilistic hypotheses would allow their use in training, and it presents opportunities for solving problems, in many cases, more coherent and consistent with the ethical and religious principles of the participants.
Despite the contributions of single case studies in business ethics, religion and spirituality, one of the possible limitations lies in that the single case method, like the rest of scientific methodology, depends on the “quality” of the research; if researchers imbue to the analysis their own perspective, and the “possibilistic hypothesis” produced will only reflect the opinion or personal perspective of the researcher. In this sense, important lines of methodological research to be pursued for the development of “possibilistic hypotheses” are to progress in terms of the conditions of replicability of single case analysis; along with verification of multi-case and the meta-analysis.

An interesting research line might be to assess the scope of possibilistic hypotheses, through the attribution of a range of occurrence probability that might give rise to probabilistic hypotheses.

References


Popper, K. (1982), *La lógica de la investigación científica*. Madrid: Tecnos. (Original title: Logik der Forschung, Publisher Mohr Siebeck 1934; Published in English, 1959)


### Tables

#### Table 1. A comparison between experiment, case study and survey

<table>
<thead>
<tr>
<th>Experiment</th>
<th>Case Study</th>
<th>Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small number of units (sometime one)</td>
<td>Small number of units (sometime one)</td>
<td>Larger number of units</td>
</tr>
<tr>
<td>Data collected and analyzed about small number of predetermined features of each unit</td>
<td>Data collected and analyzed about large number and often not predetermined features of each unit</td>
<td>Data collected and analyzed about small number of predetermined features of each unit</td>
</tr>
<tr>
<td>Study is organized to control different variables</td>
<td>The interest is about the variables in context</td>
<td>Units are selected to represent the study’s population</td>
</tr>
<tr>
<td>Data are quantitative</td>
<td>Data can be quantitative or qualitative</td>
<td>Data usually could be quantified</td>
</tr>
<tr>
<td>Aim can be testing Theory or evaluation of an intervention</td>
<td>Aim is to understand and theorize</td>
<td>Aim can be testing Theory, evaluation of an intervention or generalize findings from sample to population</td>
</tr>
</tbody>
</table>

Source: adapted from Gomm et al. (2000).

#### Table 2. A comparison of teaching and research cases

<table>
<thead>
<tr>
<th>Teaching cases</th>
<th>Research cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Written primarily for students</td>
<td>Written primarily for researches</td>
</tr>
<tr>
<td>Designer to illustrate an existing theory or principle</td>
<td>Designed to contribute a new theory or explore/test an existing theory</td>
</tr>
<tr>
<td>Published on its own as a teaching case, often with notes for the instructor</td>
<td>Published as part of a research article in a journal, conference, or book</td>
</tr>
</tbody>
</table>

Source: adapted from Rowley (2002) and Myers (2009).

#### Table 3. Terminologies for Stages of Case Research Programs

<table>
<thead>
<tr>
<th>Traditional Phases of Knowledge Accrual</th>
<th>Yin´s Framework</th>
<th>Bonoma´s Framework (1985)</th>
<th>Number of Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exploration</td>
<td>Description</td>
<td>Drift</td>
<td>Single or Multiple Case(s)</td>
</tr>
<tr>
<td>Hypothesis generation</td>
<td>Exploration</td>
<td>Design</td>
<td>Multiple Cases</td>
</tr>
<tr>
<td>Hypothesis Testing - Confirmation - Disconfirmation</td>
<td>Explanation Explanation Prediction Disconfirmation</td>
<td>Multiple Cases Single Critical case</td>
<td></td>
</tr>
</tbody>
</table>

Source: Benbasat et al., 1987: 372.
Table 4. Phases of logical reasoning from the possibilistic hypothesis

<table>
<thead>
<tr>
<th>PHASES</th>
<th>TYPE OF KNOWLEDGE</th>
<th>LOGICAL REASONING</th>
<th>DEGREES OF FREEDOM</th>
</tr>
</thead>
<tbody>
<tr>
<td>1ST PHASE</td>
<td>PREVIOUS KNOWLEDGE [SCIENTIFIC / CONVENTIONAL]</td>
<td>POSITIVE</td>
<td>∀x : P(x)</td>
</tr>
<tr>
<td>2ND PHASE</td>
<td>DETERMINISTIC NORMATIVE CONCLUSION</td>
<td>NORMATIVE</td>
<td>∀x : □P(x)</td>
</tr>
<tr>
<td>3RD PHASE</td>
<td>SINGLE CASE EMPIRICAL CONTRAST</td>
<td>NEGATIVE</td>
<td>∃x : ¬P(x) / ∀x: P(x)</td>
</tr>
<tr>
<td>4TH PHASE</td>
<td>POSSIBILISTIC HYPOTHESIS (PH)</td>
<td>POSITIVE</td>
<td>∀x : ¬□P(x) / ∃x : ¬0P(x)</td>
</tr>
<tr>
<td>5TH PHASE</td>
<td>OPEN NORMATIVE CONCLUSION</td>
<td>NORMATIVE</td>
<td>∃Md(x) : 0¬P(x) / ∀Md(x) : 0P(x)v ¬P(x)</td>
</tr>
</tbody>
</table>

Md: Moral Decision \ Df: Degrees of freedom (Possible options)

Source: own elaboration.

Figure 1: The single case research and possibilistic hypothesis.

Source: own elaboration.