The Virtue of “Virtue Ethics” in Business and Business Education

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Abstract. This article offers an approach to advance the use of virtue ethics in the training of business managers and leaders, as well as in the education of business students. A thesis is that virtue ethics offers a valuable way to think about how we want to be and what we should strive to become qua businessperson, manager, and leader. The article provides a framework for thinking about virtue ethics in the context of business and leadership, with emphasis on building trust in organizations. It includes a brief summary of Aristotelian virtue ethics, core concepts, and how they apply to management and leadership decision-making. The article concludes with a summary of an approach for teaching a virtue ethics module, which has evolved over the past 20 years. Included are exercises, a survey tool, and a business case as components of the module. The module has been used in corporate training, as well as graduate and undergraduate business education. It is hoped this approach will spur others to explore other ways to bring virtue ethics to business and business education.

Keywords: virtue ethics, leadership and virtue ethics, business and virtue ethics, Aristotle.

… the end aimed at is not knowledge but action. (Aristotle, “Nichomachean Ethics”, p. 937).

The greater your integrity—the more honest, congruent, humble, and courageous you are—the more credibility you will have and the more trust you will inspire. (Covey 2006, p. 72).

To be a credible leader, you must have character, whose essential ingredients are credo, competence, and confidence. (Kouzes & Posner 1993, p. 52)

1. Introduction

Business is a part of living, and success in both life and business requires developing excellences (virtues), some moral and some nonmoral. Some personal qualities thought to be important in life include honesty, courage, sociability, self-awareness, empathy and compassion, discipline, hard work and trustworthiness. Some nonmoral excellences for success in business and leadership are thought to include financial competence, reasonable risk-taking, effective communication.
skills, and strategic or long-term thinking. Equally critical for business leaders are those qualities that build and sustain trust among those groups or stakeholders affected by the success of business, stakeholders that include employees, customers, suppliers, and the larger community. These stakeholders expect qualities such as honesty, competency, fairness, transparency, openness, and courage, a mix of moral and nonmoral excellences. These are qualities that build trust for the business and its leaders. This way of thinking is the “stuff” of virtue ethics. The virtue of virtue ethics as a framework is that it takes seriously the critical importance of these attributes for success in life and business. Virtue ethics is the study of, or critical reflection on, these qualities. For example, which virtues are most important to success in business? How are they acquired? How are they sustained, strengthened or weakened in organizations? How do good leaders create environments that foster the development of critical virtues among employees?

Success in business and success in terms of achieving moral virtue are distinct accomplishments, although presumably they are connected. Common measurements of business success are profitability, efficiency, size, growth, longevity, and contribution to customer and community welfare and satisfaction. Measurements of success for a morally virtuous person include consistency and integrity in the application of virtues such as honesty, fairness, respect, trustworthiness, and compassion. It would seem that one could be a successful businessperson without being morally virtuous. Perhaps this is true in the short run, but it is an underlying contention or assumption of the following discussion that true success in business (long-term, sustainable success) requires at least central moral virtues among the virtues demonstrated by successful business people.

Our purpose in this article is to advance the use of virtue ethics in business and corporate environments, as well as in the education of business students and in the training of business managers and leaders. A thesis of this essay is that virtue ethics is a way to think about how we want to be and what we should strive to become qua businessperson, manager, and leader. We will begin by discussing a framework for thinking about virtue ethics in the context of business and leadership, with emphasis on building trust in organizations. We will then provide a brief summary of Aristotelian virtue ethics, core concepts, and how they connect to management and leadership decision-making. Finally, we will share details of an approach developed and used for nearly 20 years of teaching business ethics and nearly as long facilitating corporate business ethics training programs. Our hope is that the discussion will encourage others to develop their own approaches and ways of bringing virtue ethics to business and managerial decision-making.
2. The Virtues of Business and Leadership

We use “virtue” in the classic Aristotelian sense of excellence (arête). Virtue is a quality or excellence that makes a thing good according to its nature, and moral virtues (versus intellectual virtues) are those qualities that make a person morally or ethically excellent. As Aristotle might say, seeing well or excellently makes an eye a good eye, running well or excellently makes a race horse a good one. Likewise, being honest, loyal, compassionate, and trustworthy are qualities that make a person excellent from a moral or ethical perspective.

It may be useful to position virtues in to a larger scheme of value. We value various things as goods to the extent that we hold them dear, serving our purposes and desires. Instrumental goods can be distinguished from other goods that are intrinsically valued. For example, money is valued instrumentally, for what it can provide those who possess it. Surgery and dental work naturally fall into this category of things having instrumental value. On the other hand, love, health and companionship are more naturally valued intrinsically, that is for their own sake. Other goods can be valued either intrinsically or instrumentally, e.g. knowledge and friendship. We might value knowledge for how it might help us achieve success, or it might be sought for its own sake, for the pure pleasure of learning and knowing. Likewise, friendships may have instrumental value because of the connections they provide (think “networking”). But friendship may also be valued for its intrinsic value, not expecting anything beyond the joy of the friendship itself.

So, what about virtues, in particular moral virtues? Can we distinguish instrumental from intrinsic excellences? Many of the virtues of an excellent businessperson are nonmoral, instrumental qualities. One may have the skill or virtue of persuasiveness in selling, or one may have the virtue of positioning a product for the right market. These virtues are useful in achieving business goals and success; they are instrumental and nonmoral. What about the moral virtue of honesty? The virtue of honesty certainly does have instrumental value, since others will trust an honest businessperson and be more likely to do business with her. Yet, we are taught “honesty is its own reward.” In this sense, honesty is and should be a virtue with intrinsic worth, valued for its own sake.

Hence, virtues are excellences, some of which are purely instrumental and others that perhaps have both instrumental and intrinsic value. Moreover, these virtues can be further categorized as nonmoral (e.g. persuasiveness), while others are moral qualities (e.g. honesty). As we will develop a bit more below, Aristotle would add intellectual excellences as a further category of virtues, and here we may think of the excellence in understanding and applying principles of good business practice, such as understanding or knowing the principles behind effective selling or having the practical wisdom about when and how to introduce a new product.
It may also be useful to acknowledge that the set of virtues embraced by a particular group is to some degree culture and time bound. As Haidt (2006) observes, “…our approach to morality is odd from the perspective of other cultures…” (p. 158). Yet, more recently, positive psychology researchers have looked for commonalities (not differences) of strengths and virtues across cultures and religions. Peterson and Seligman (2004) found six broad categories or families of related virtues: wisdom, courage, humanity, justice, temperance, and transcendence. Wisdom, for example, as a family includes attributes such as curiosity, love of learning, judgment, ingenuity, emotional intelligence, and perspective. Thus, there may be an important commonality to virtues that cuts across cultures.

2.1. The Purpose and Virtues of Business

As a starting point, when it comes to business, one might say the purpose is producing quality products and services that add value for the customer, since this is the nature of doing business. More broadly speaking, the purpose of business can be considered to be producing happiness for all stakeholders by producing quality products and services. “And this is the art of business: the art of creating structures within which human partnerships can flourish, partnerships for living well” (Morris 1997, p. 104). Robert Solomon (1993) provides a thorough account of how to approach business and corporate life by using an Aristotelian and virtue ethics perspective. The last part of Solomon’s book discusses what he believes are the basic business virtues (honesty, fairness, trust, toughness), as well as virtues of what he refers to as the corporate self (friendliness, honor, loyalty, and shame). Of these, Solomon (1993) says, “Honesty is the first virtue of business life” (p. 210). Here perhaps is one of those virtues that cuts across cultures and times.

Of course, the purpose of business must include an ethical end since the goal is to produce happiness for all stakeholders by producing quality products and services. In this context, we give students the case of Ashley Madison, a website that facilitates romantic affairs for married males and females. Ashley Madison’s purpose can be considered unethical since its service produces unhappiness to its clients’ spouses.

We can extend the analysis to other aspects and roles in business and organizational life. These days being an effective or excellent team member is a critical virtue in business, a virtue that schools of business attempt to teach and foster. When it comes to being a virtuous team member in an organization or business, LaFasto and Larson (2001) suggest that the following characteristics form the basis for being an excellent (virtuous) team member: experienced, productive problem solver, open, supportive, personal initiative and positive style. All of these virtues appear to be nonmoral excellences, but other moral
virtues seem to be required of both followers and leaders, e.g. honesty and truthfulness.

2.2. Virtue and Leadership

In terms of virtuous leadership, excellence in providing a vision and building trust that will motivate others to achieve a common purpose are thought to be important qualities that make a leader good. “Trust, along with shared cultural assumptions, is the strongest glue binding people together in groups” (Bennis et al. 2008, p. 26), and leaders have the responsibility of binding and motivating members of the group or organization.

Unpacking the concept of trust, we are likely to find that trust consists of these qualities, among others:

- reliance on a person or thing;
- confident expectation of someone or something;
- obligation, burden or responsibility imposed on a person in whom confidence or authority is placed.

Hence, to be trustworthy as a leader or member of the team implies that one is worthy of trust, is someone that can be relied upon and will be responsible. Here a much stronger moral dimension is implied.

As an avid skier, I trust my old Subaru to get me to a ski area in a snowstorm, I rely on the bindings on my skis, and I have confidence in the gondola lift to get me to the top of the mountain. My trust is based on the experience and reliance I have on the qualities or virtues of a thing, e.g. the virtue (excellence) of the all-wheel drive of a Subaru in the snow. With respect to people, trust again is a function of experience and reliance, e.g. relying on a spouse in terms of fidelity or trusting that a friend will keep his word not to divulge something shared in confidence. There is reliance and expectation related to the person or thing. Likewise in business there is reliance and expectation of performance with regard to products and services, and with leaders there is a reliance and expectation related to their ability to motivate others with integrity toward a common vision.

In business and one’s professional life, we rely on or trust others to be disciplined and diligent in doing their part of a team project. We trust a manager to be transparent, honest, and fair in terms of performance reviews and merit increases. With leadership in particular, Kouzes and Posner (1993) identify four virtues or qualities as central to excellent or virtuous leaders (what they call “credible” leaders): honesty, competence, forward-looking, and inspiring. Their list reflects a mixture of moral, nonmoral, and even intellectual virtues.
Followers rely on their leaders to exhibit these characteristics consistently. Followers depend on consistency with respect to these core attributes, and the virtuous or excellent leader is one who will be *trustworthy*, i.e. someone who is reliable and constant with respect to those key virtues.

Being trustworthy (in part through honesty, competency, inspiration, vision) makes a leader a good and moral leader. O’Toole (2005) reminds us more explicitly of the moral dimension of leadership. “Hence, in addition to effectiveness, leadership has a moral dimension: the capacity to discern and provide justice” (p. 199). James Autry (2001), by other words, adopts a virtue ethics perspective in his book, *The Servant Leader*. He advocates “five ways of being” for effective leadership, and these ways of being are essentially five critical virtues of effective leaders: *Be Authentic, Be Vulnerable, Be Accepting, Be Present, and Be Useful*.

Successful leadership and management in organizations, then, is at least in part, a function of trust, and trust in leaders and managers is a function of nonmoral and moral virtues.

Trust is the expectation that arises within a community of regular, honest, and cooperative behavior, based on commonly shared norms, on the part of other members of the community. (Fukuyama 1995, p. 26).

Our discussion thus far has attempted to show how natural the language of virtue and virtue ethics is to an understanding of good business practice and good leadership. Acquiring and strengthening various excellences (moral, nonmoral, and intellectual) is at the heart of being a good businessperson and leader. We now turn to the classical conception of virtue ethics, as developed by its most well-known proponent, Aristotle.

3. **Aristotle and Virtue Ethics**

It is worth reviewing some of the essential features of virtue ethics, at least our particular representation and summary of Aristotle, since we believe understanding the core theory is critical in understanding its application to current business, management, and leadership. Perhaps the worst vice among the Greeks was “hubris,” or arrogance and excess, including arrogance with respect to one’s opinions and ideas. So, we offer this summary with genuine humility.

3.1. **Framing the Object of Ethics**

Referring to Figure 1, Aristotle’s approach to the study of morality and ethics is grounded in a fundamentally simple approach and question, “*What is a good human life?*” Ethics and morality are essentially about being a good person, being
a good businessperson (if business is one’s chosen activity), or being a good manager or leader (if that is a role one assumes). For Aristotle ethics is not an intellectual exercise of finding and applying an abstract and objective decision making formula that will produce some correct answer to the question, “What is it right to do?” Rather it is making practically wise decisions or exercising appropriate virtues to achieve goodness, and ultimately happiness, since the end or purpose is action or doing.

The structure of Aristotle’s thinking is fundamentally teleological, i.e. understanding the nature of something is to understand its purpose or function. The function of a knife is to cut, the function of an eye is to see, and by extension one might say the function of a businessperson is to provide quality goods and services that add value for customers and other stakeholders.

With respect to human agents, teleology is the idea that human beings are goal-oriented, purpose driven, or act with “ends in view,” to use a term from the psychologist and educator John Dewey. To understand the nature of human beings, and hence what it means to be a good person, is to understand one’s goals and purposes, as well as one’s distinctive natural attributes. As discussed earlier, human beings value or seek some goods only instrumentally, while valuing other things as intrinsic goods. Love and friendship are examples of intrinsic goods. There are some goods that we seem to value both instrumentally and intrinsically. (See Figure 1) For example, while an MBA degree is valued instrumentally, the knowledge and understanding hopefully resulting from the course of study may be valued both instrumentally and intrinsically.

Figure 1: Aristotelian Model of Virtue Ethics

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What is the “good” life?
(Aristotle's Answer)

Goods
- Instrumental
- Intrinsic
- Both

Happiness
("Eudaimonia")

Virtue
("Arete")

Intellectual

"telos" - end, goal, purpose

Moral
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3.2. Happiness as the Ultimate Good for Men

Aristotle begins his major treatise on ethics (“Nichomachean Ethics”) with the idea that every art, investigation, and every practical pursuit aims at some good, and the highest good in the realm of practical knowledge is political knowledge, which includes ethical knowledge. It is in the community (“polis”) that the greatest practical good can be achieved, in interactions with other members of the community. Aristotle goes on to say that the ultimate good for humans is happiness, since this is what human beings ultimately desire and pursue. When parents are asked what they wish for their children, one of the more common answers is for their children “simply to be happy.” Parents want their children to “find their bliss” or happiness.

Bear with us, as we explore in more depth the etymology of the Greek term for happiness (“eudaimonia”), since we believe it is a bit of language analysis that may be helpful for understanding Aristotle’s conception of happiness. For Aristotle happiness is “doing well” or “living well.” It is “human flourishing,” implying doing, action, and accomplishment. “Daimonia” (spirit) is combined with “eu” (well), and hence “eudaimonia” implies a kind of excellence in spirit or action, not a passive state of contentment. We may feel that glow of contentment when we have worked hard to accomplish a task, e.g. securing new talent in the organization, but there is activity or action that led to the accomplishment. Moreover, for Aristotle “eudaimonia” is associated with virtue or excellence (“arête”). Happiness is an active exercising (doing and thinking) of the distinctive and natural capacities, most distinctively exercising human reason. It is worth noting that Aristotle makes clear that happiness is not a singular action or activity. Rather it is the consistent exercising of virtue or excellence, relating very much to our discussion of trust as reliance on and consistency of practice. As Aristotle so eloquently says,

Moreover this activity [virtue and happiness] must occupy a complete lifetime; for one swallow does not make a spring, nor does one fine day; and similarly one day or a brief period of happiness does not make a man supremely blessed and happy. (Aristotle 33).

3.3. Moral Virtue

Aristotle defines “moral virtue”:

Virtue, then, is a state of character concerned with choice, lying in a mean, i.e. the mean relative to us, this being determined by a rational principle, and by that principle by which a man of practical wisdom would determine it. Now it is a mean between two vices, that which depends on excess and that which depends on deficit … virtue both finds and chooses that which is intermediate (Aristotle, “Nichomachean Ethics” 1966, p. 956).
A few comments about moral virtue are in order, as it does bear so much on the nature of moral virtue in business or an organizational context.

- First, moral virtue is the *disposition (state of character) or tendency* to choose wisely, and wise decision-making involves choosing the middle ground between two ways to error, excess or deficiency. Predictability flows from a settled disposition and established character, and wise decision making is governed by rational principle, as determined by the person of practical wisdom (“phronesis”). The standard or measure is what a practically wise person would do, and often that wisdom is earned and learned from experience and practice. Having learned the lessons of organizational dynamics, for example, more seasoned managers and leaders do generally increase wise decision-making with respect to organizing and motivating employees.

- Second and picking up on this last point, moral virtue is *developed and strengthened through practice*. We are not born virtuous, but we have the potential or capacity for moral virtue. The acorn is not an oak tree, as Aristotle would say, but with the right conditions it will grow to be a healthy oak tree. Likewise, with the proper conditions a human being has the capacity and potential to be a strong and morally virtuous person, manager, and leader.

Using an analogy with physical fitness, one strengthens muscles of all sorts, including the heart, with regular and vigorous activity. Moral character is likewise strengthened and made dependable from morally virtuous choices and judgments. The more one exercises those moral muscles, the easier it is to be morally virtuous. Cynthia Cooper, the whistleblower at MCI WorldCom, put it well, “Courage is acting in the face of fear. If we practice finding our courage in smaller matters each day, we’ll stand a better chance of keeping the courage of conviction when we come to the crossroads of more critical decisions” (Cooper 2008, p. 366).

Of course, we are all in various states of “becoming,” challenged by new and different situations all the time. Perhaps just as an effective exercise routine involves surprising the muscles with unexpected exercises, new and different challenges to effective management and leadership can surprise and strengthen moral character, making one’s character stronger from those moral surprises. A new situation provides a challenging opportunity to further strengthen particular virtues of excellent management and leadership.

- Finally, wise judgment or moral virtue requires applying dispositions in different situations. The practically wise and morally virtuous
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choice depends on the situation, the individuals involved, the time, the place, and the context. Thus, I think of Aristotle as a contextualist, not a relativist. The morally virtuous course of action depends on the context, but that does not mean it is simply relative to the inclinations of a decision maker, allowing for whatever the individual feels is an appropriate course of action. Choices are still governed by rational principle. For example, honesty is a virtue for Aristotle, as is being good tempered and friendly. One of the more difficult virtues or excellences of managers may be giving feedback to employees. How does one balance (find the middle ground) between “brutal honesty” and uncritical acceptance of poor performance? It does depend, of course, on the temperament of the employee, the pressure of the current work environment, the external factors faced by the employee, as well as other aspects of the context. Virtuous conduct, then, involves “finding a way” (finding that middle ground) to be honest and courageous, while being considerate, motivating, and good-tempered. There is no simple formula that will yield a solution, but rather it requires considered and wise judgment.

In summary, for Aristotle virtues are well-developed dispositions to act, choose, and behave in accordance with the expected excellence, e.g. inspiration or honesty. Virtuous leaders will consistently apply these virtues to situations, establishing a track record of reliance and dependability. Following Aristotle, these dispositions are a product of practice and habit. We are known more by what we do and how we choose, than what we say. It is the little decisions to practice, e.g. transparency, that establishes a reputation of a leader who can be “relied on” to be transparent. Indeed, habit and discipline develop the virtues and vices that form one’s “character,” so much so that when a person, who is known for his actions as an honest leader, behaves in a dishonest manner, a colleague might be in denial or say that was totally “out of character”.

Table 1 summarizes the list of virtues and their corresponding vices, which Aristotle discusses in Book II of the *Nicomachean Ethics*. Beyond having a specific list of virtues and vices, the list is instructive for another reason, and that is that Aristotle made us aware that virtues and vices are responses to natural feelings and emotions that all human beings experience. It is how we respond in situations that determine whether an act or one’s moral character reveals a tendency for virtue or vice. For example, we experience feelings of fear and confidence (whether in actual military battle, situations of public speaking, or giving honest and direct feedback to employees or one’s boss). If one confronts the fear and acts (e.g. giving honest feedback), one exhibits courage. If one avoids the fear (e.g. finding a way to not do face-to-face feedback), one may exhibit some degree of cowardice. And if one gives brutal feedback without
concern for its effect on a vulnerable employee, then perhaps that manager has demonstrated a bit of recklessness in his job.

Table 1: Aristotelian Virtues (Organized According to Book II, *Nichomachean Ethics*)

<table>
<thead>
<tr>
<th>FEELING/EMOTION</th>
<th>VIRTUE</th>
<th>VICE (DEFICIENCY)</th>
<th>VICE (EXCESS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fear / Confidence</td>
<td>Courage</td>
<td>Coward</td>
<td>Reckless</td>
</tr>
<tr>
<td>Pleasure/Pain</td>
<td>Self-Control</td>
<td>“Insensible”</td>
<td>Self-indulgent</td>
</tr>
<tr>
<td>Giving/Taking Money (Small)</td>
<td>Generosity/Liberality</td>
<td>Stinginess</td>
<td>Extravagance/Prodigality</td>
</tr>
<tr>
<td>Giving/Taking Money (Large)</td>
<td>Magnificence</td>
<td>Meanness</td>
<td>Tasteless/Vulgarity</td>
</tr>
<tr>
<td>Honor/Dishonor (Great)</td>
<td>Pride</td>
<td>Undue Humility</td>
<td>Empty Vanity</td>
</tr>
<tr>
<td>Honor/Dishonor (Small)</td>
<td>No Name (Ambitious)</td>
<td>Unambitious</td>
<td>(Overly) Ambitious</td>
</tr>
<tr>
<td>Anger</td>
<td>Good Tempered</td>
<td>Inirascible/Apathetic</td>
<td>Irascible/Short-Tempered</td>
</tr>
<tr>
<td>Speech/Action (truth)</td>
<td>Truthfulness</td>
<td>Mock-Modesty</td>
<td>Boastfulness</td>
</tr>
<tr>
<td>Speech/Action (pleasantness in amusement)</td>
<td>Wittiness</td>
<td>Boorish</td>
<td>Buffoon</td>
</tr>
<tr>
<td>Speech/Action (pleasantness in daily life)</td>
<td>Friendliness</td>
<td>Grouchy/Surly/Quarrelsome</td>
<td>Obsequious/Flatterer</td>
</tr>
<tr>
<td>Shame</td>
<td>Modesty</td>
<td>Shameless</td>
<td>Bashful</td>
</tr>
<tr>
<td>Pain/pleasure (Fortunes of Neighbors)</td>
<td>Righteous Indignation</td>
<td>Spite</td>
<td>Envy</td>
</tr>
</tbody>
</table>


Nearly twenty years ago we met with a colleague (Don Nelson) to formulate a team-taught course in business ethics, professional responsibility, and the social responsibilities of business. As we examined possible books at the time, we noticed the glaring absence of one of the classic ways of thinking about personal ethics, namely Aristotelian virtue ethics. Thus, we went about designing our own selected readings, including the development of our own materials and exercises for enjoining students to consider the virtue of virtue ethics as a way of becoming a better person, manager, and leader. These materials have been used with MBA and Executive MBA students, as well as undergraduate business students. Additionally, the approach and materials have been used in corporate training.
programs in various industries and at various levels in organizations, from mid-level managers to Boards of Directors.

4.1. Good Persons, Managers, and Leaders (Open-Ended Class Survey)

To begin an exploration of virtue ethics, we use the following exercise to get students or corporate participants thinking about the virtues or essential qualities of excellence qua person, manager, and leaders. Using an open-ended question, students are asked to identify those qualities that are essential for being a good person, manager, and leader. Before doing any readings regarding virtue ethics, students share their “Letterman Top Qualities” in response to the following prompt:

What do you think are the top three characteristics for each of the following: a “good person”, a “good manager”, and a “good leader”? What are the most important qualities that a “professional business person” should exhibit?

In an online environment, participants can share their responses publicly. In a live training environment, participants can make lists, share their lists, and look for commonalities in small group discussions. Then a facilitator can summarize the results with three columns. It is very typical for “good person” to include caring/compassionate, honest, trustworthy, and loyal. For “good manager” the most common virtues may include being a good communicator/listener, honest, organized, and fair. For “good leader” virtuous qualities may include honesty, visionary, motivator/inspiring, and supportive. These lists can serve as a point of departure as they are applied to a case study. An additional feature for discussion is to have students or participants provide examples of the best manager or leader they have experienced, including stories or scenarios that are memorable in terms of exhibiting core values and virtues.

4.2. Leadership Characteristics Profile (Class Profile)

We then ask students to complete (online or with hard copies) an instrument developed by Kouzes and Posner (see Appendix 1). This survey takes 3-5 minutes, asking students to select (but not rank) their top seven characteristics (from a list of 20) of what they value in a leader. A profile for the group or class can quickly be calculated, determining the percentages of the group for each of the 20 characteristics, and the class profile can be compared to national samples from Kouzes and Posner. Typically, honesty is a virtue that is most prevalent, with over 80% of the class choosing honesty as one of their top seven characteristics. The top four characteristics, as reported by Kouzes and Posner, are honesty, forward-looking, inspiring, and competent, and this is very typically
the profile for the class. Moreover, by way of comparison, an instructor or facilitator can show the comparison of the top four characteristics when surveyed regarding attributes of “good colleague or co-worker,” which Kouzes and Posner report as *honesty, dependable, cooperative, and competent.* A lesson and point of discussion relates to the importance of honesty and competency across business roles.

4.3. Exploring Business as a Virtue-Based Profession

Moreover, the distinction between intrinsic and instrumental goods plays out in the business context between whether the focus should be on internal or external goods to be excellent as a professional. Aristotle posits that we all need both in life, but what drives our practice to become excellent—the external instrumental goods of fame and fortune or the internal intrinsic goods central to a profession to become excellent for others. Students are assigned the reading “What Kind of Person should a Professional Be” by Albert Flores (1997) for the purpose of understanding the pressure by employers focused on the external goods of fame and fortune to successfully increase company profits. This is in sharp contrast to virtuous professional employees focused on internal goods central to their profession. Flores asserts that this “success” pressure and focus on external goods in this context frequently causes a “general decay in the exercise of virtue by professional employees” (p. 7).

Since a business cannot act without its agents—the ethical focus is on both: (1) the “meta-professional” executive who must transcend and manage traditional professional employees, and (2) the independent professional employees who have a duty not only to obey the legal and ethical directives of the executive, but also to their profession. Often, the duty demanded by the employee’s profession supersedes the duty owed to the employing business. And in this sense, the ethical conduct of the business can only be analyzed by reference to the conduct of its agents.

As an apt example, we show two clips from the movie “Titanic.” In the first clip, the president of the cruise line (the meta-professional) questions the captain (the independent professional employee) why he has not yet lit the last boilers in order to break the Atlantic speed record because it would “make headlines” and “you can retire with a bang.” In the second clip, the first officer informs the Captain that the “bergs will be hard to see with no waves” and the Captain responds “full speed and heading” after appearing to first consider the internal goods involved (namely, his chief responsibility of protecting the lives of the passengers), but then remembers external goods stressed by the President. The Captain thus makes a fatal, non-virtuous decision caused by the executive’s successful appeal incorporating a focus on external goods. An important part of virtue ethics is for organizational actors to be able and willing to exercise their
individual agency. Here, the Captain was clearly able to do so, but failed to do so. In essence, this appeal caused the decay of the Captain’s exercise of his virtue with disastrous results.

4.4. Learning through Applications and Cases

A real test of virtue ethics as a theoretical framework is whether the concepts and approach have application to business life and leadership. Having developed a class profile for the leadership characteristics survey, as well as listing the most important qualities of a good person, manager, and leader, we ask students to read and analyze the qualities (virtues and vices) of the main character (Joe Sullivan) in a business case we have written and published. The case was originally published under the real name of the character (Wittmer & Wittmer 1997), but later revised with the fictitious name Joe Sullivan in order to provide greater anonymity for family members. The case is written in three parts. We provide Parts A and B to students initially. In an online environment, a discussion thread can generate exchanges about attributes of Joe Sullivan, the main character of this modern day tragedy. In a classroom setting, we divide the class into small groups to develop a list of Joe Sullivan attributes or qualities (virtues and vices). A synopsis of the case follows, but the case involves the president and CEO deciding to intentionally mislabel beer (stronger beer is labeled as weaker 3.2% beer) in order to fulfill an important order, a violation of state law. The case is very impactful because of the way things unravel, ending with a suicide of the president and CEO.

Case Synopsis: The case of “Joe Sullivan” involves a local beer distributor in Denver, whose name has been changed for class discussion. The case involves a strong leader and CEO of a beer distributing company. Joe was a very well respected member of the community, heavily involved in community and religious activities. Joe inherited a marginally profitable family company, and he successfully led the company to be the largest beer distributor in Denver. Colorado has blue laws that permit grocery stores to sell only 3.2% beer. Sullivan expanded his business to soft drinks, but this strategy proved unsuccessful, leaving him in a precarious financial position. After receiving and agreeing to fill an order from a grocery store chain for 750 cases of beer, Joe discovered he only had half the 3.2 order in stock. Since this was a new client that he coveted, Joe decided to stamp cases of strong beer as 3.2% beer. The case involves the aftermath of that decision, including whistleblowing by one of his terminated employees, sanctions by the state, loss of the business and eventual suicide. The case is available for download and use at (http://portfolio.du.edu/dwittmer). Teaching notes are available upon request as well.
The way we lead the case discussion is to leave the attributes of good person, good manager, and good leader (from the earlier exercise) on the board. In addition, students have the list of Aristotelian virtues and vices (Attachment 1). Small groups discuss and create lists of Joe’s qualities (good and bad). As they report out from group discussions, we write these qualities on the board, and both virtues and vices will emerge.

We use this discussion as an opportunity to discuss the continuum of virtue and vice. For example, often students will describe Joe Sullivan as “ambitious” or a “risk-taker”. We press as to whether students are using the words as a virtue or vice. We then ask whether ambition and risk-taking are excellences (virtues) of being a good businessperson. While there is general agreement among students that being ambitious and being a risk-taker are virtues of business, they generally argue that Joe Sullivan had become excessive in his risk-taking and overly ambitious. This general model of analysis can be used for many other qualities that groups identify, and the case analysis becomes the vehicle for applying virtue ethics in business decision-making.

A few other items are important to mention in terms of how we use the Joe Sullivan case in discussion.

- A mixture of virtues and vices emerges from discussion about Joe Sullivan, which presents an opportunity to emphasize the complexity of virtue and vice that we all exhibit as human beings.

- The dishonesty of Joe Sullivan becomes a focus in the discussion, which provides an opportunity to relate back to the Leadership Characteristics Profile. The profile typically includes honesty as one of the most important qualities of leadership. Moreover, loss of trust usually results from dishonesty, and once lost, trust is difficult to regain.

- The discussion of dishonesty (in this case with customers, community, and even family) provides an opportunity to reinforce the acquisition process of Aristotelian virtue ethics. Virtues and vices result from habit and practice. Hence, the importance of having strong character (disposition) to behave in predictable ways for others is achieved.

After a thorough discussion of Joe Sullivan (A)(B), we hand out part (C), giving time for students to read and process, which does not take more than about five minutes. Joe Sullivan (C) ends with suicide, and we try respectfully to elicit student responses. Moreover, we relate to Aristotle’s discussion of tragedy and tragic heroes with the following quote:

A man who is highly renowned and prosperous, but one who is not pre-eminently virtuous and just, whose misfortune, however, is brought upon him
not by vice and depravity but by some error of judgment or frailty (Aristotle, *Poetics*, Chap. XIII).

Students debate (both online and in class) whether Joe Sullivan is a “Tragic Greek Hero,” but most believe he does not qualify under Aristotle’s definition since the teaching case describes another instance of dishonesty—namely, changing the date of the beer to make it appear fresher. Consequently, Joe Sullivan was practicing the vice of dishonesty. The class then discusses whether Joe Sullivan’s misfortune was caused by a singular focus on external goods of fame and fortune rather than internal goods of a professional leader—namely, what would make him excellent for the public good. Here, his excellence would have been achieved in truth-telling regarding his product for the protection of customers.

4.5. Wallet Virtues and Values

The final activity in this virtue ethics module is for participants or students to create their personal wallet virtues and value. This is an exercise in identity and commitment. As we carry business cards that identify ourselves in terms of position and organization, a card of wallet virtues and values reflects our identity in terms of the qualities or attributes that are most important to us. Students are provided blank business cards with two precut sheets of laminating paper for the front and back of the card. Students are asked to consider the core values and virtues, that is, those they would least want to compromise in their personal and professional life.

5. Conclusion

Some argue that you can’t teach ethics at the high school or college level because values are primarily instilled at a young age. But character is not static. People can and do change throughout their lives… (Cooper, 2008, p. 364)

We have attempted to sketch an approach for making virtue ethics and Aristotle relevant to business leaders and business students. An Aristotelian framework can provide a very intuitive and common sense approach for understanding the nature and purpose of business, as well as the qualities that make managers and leaders excellent, successful, and good. In our experience of teaching business ethics for over 20 years, we have found that business managers, leaders, and business students find virtue ethics intuitively appealing. It is something they write about in reflective papers or in values-based leadership plans. It is a theory they seem to master quickly and be able to apply to their own lives, personally and in business.
Virtue ethics is also an approach to ethics that seems to resonate and be remembered. For the last twenty years, a key deliverable for the business ethics course is an eight-hour service learning project with an extensive paper reflecting on the student’s experience based upon making connections to the themes and concepts of the course. While social capital and ethical frameworks are sometimes discussed, by far students reflect the most commonly and extensively on the connection to virtue ethics. Specifically, students describe “happiness” as the experience furthers their excellence for others in the community. While we have not done a systematic study on the impact of the course on students, anecdotal evidence suggests that virtue ethics is a very memorable part of the course.

We have shared one approach for teaching virtue ethics in business, and we are sure there are many other ideas and approaches for achieving similar goals. With all the new technologies for sharing ideas, one would hope there might be a vehicle for sharing these approaches. It seems we need virtue.ethics.in.business.com!

References:
Appendix 1

Leadership Characteristics Survey

(Check the seven most important characteristics of a leader)

___ Ambitious
___ Broad-minded
___ Caring
___ Competent
___ Cooperative
___ Courageous
___ Dependable
___ Determined
___ Fair-minded
___ Forward Looking
___ Honest
___ Imaginative
___ Independent
___ Inspiring
___ Intelligent
___ Loyal
___ Mature
___ Self-controlled
___ Straightforward
___ Supportive