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Pluralistic Virtue Ethics and the Corporate Community

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Aim of Presentation

- To present the key ideas in the field of virtue ethics (arete, phronesis, eudamonia).
- Explore the “pluralistic view” of virtue ethics as presented by Swanton.
- Argue for a pluralistic virtue ethics framework as a foundation for business ethics within a corporate community.
- Attempt to answer some of the problems posed by skeptics who are of the view that there is no sound conceptual foundation for the application of virtue ethics within the business arena.

Swanton, C. *Virtue Ethics A Pluralistic View*. Oxford University Press, 2005

A Brief Historical Introduction to Virtue Ethics

- The founding fathers of Virtue ethics are Plato and, more particularly Aristotle.
- Their was one of the prevailing approaches to Virtue Ethics in Western moral philosophy until at least the eighteenth century.
- A virtue such as honesty or generosity is not just a tendency to do what is honest or generous.

- According to Aristotle, it is a **disposition** which is well entrenched in its possessor. It is something that is **different compared to habit**.
- The disposition in question, far from being a single track disposition to do honest actions, or even honest actions for certain reasons, is **multi-track**.
- It is **concerned with many other actions as well**, with emotions and emotional reactions, choices, values, desires, perceptions, attitudes, interests, expectations and sensibilities.

- To possess a virtue means **to be a certain kind of person**, with a certain complex mindset. The most relevant aspect of this mindset is the whole-hearted and sincere acceptance of a certain range of considerations as reasons for action.
- The main consequence of this is that an honest person cannot be characterized superficially as one who practices honest dealing, and does not cheat.

The “pluralistic view” of Virtue Ethics as presented by Swanton

- Swanton’s pluralism is an important contribution to Virtue Ethics.
- According to Swanton, the most fundamental normative moral concepts are the **concepts of virtue and the associated concept of character**.
- Here the concept of **good character-trait-profiles** is central to understanding the kind of pluralistic virtue-ethics that Swanton recommends.

The **definition of virtue** put forward by Swanton is as follows:

“A virtue is a good quality of character, more specifically a disposition to respond to, or acknowledge, items within its field or fields in an excellent or good enough way”

We need to know **what kinds of response to items in a virtue's field constitute virtuous responses?**

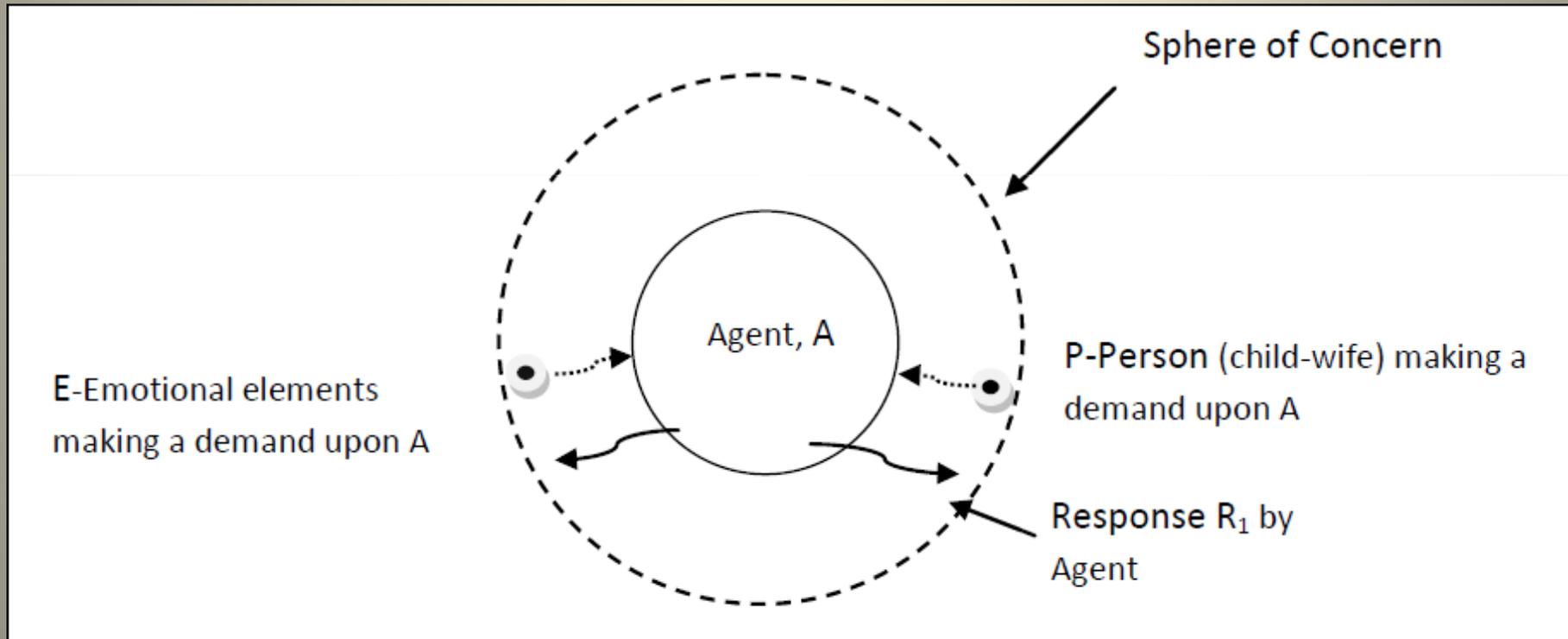
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What are standards for a **response to count as good enough to be virtuous?**

In order to answer these questions we first explore the following key ideas put forward by Swanton:

- The field of a virtue.
- Modes and bases of moral responsiveness.
- Profiles of the virtues.
- Bases of moral responsiveness.

The notion of a virtue's field consists of those items which are the sphere(s) of concern of the virtue and to which the agent **should respond in line with the virtue's demands.**



These items may be **situations** such as business virtues associated with excellence in business deals that may be the concern of an investor responding to investment decisions.

Items in a virtues field therefore **make demands on us**.
Swanton says that a virtue:

“ Is a disposition to respond well to the demands of the world”

which in a broad sense include those of oneself, on Kant’s view, for example, there is a moral duty of self-perfection arising from the treatment of oneself as a moral end.

- Swanton explains the **modes and bases of moral responsiveness** as “kinds of responsiveness” in the virtue’s field; basis: value, status, good, bonds.
- Responding well to items in the field of a virtue may take several forms; these are **called “modes of moral responsiveness”** or “modes of moral acknowledgement”.
- They include not only promoting or bringing about benefit or value but also honoring value. According to Swanton these **modes of moral responsiveness are richly displayed in the virtues.**

Swanton describes the “**profile**” of a virtue as that **constellation (set) of modes of moral response** which comprises the virtuous disposition, so, if R_1 denotes a response that comprises the virtuous disposition and if we denote the profile of a virtue as $P(v)$, then :

$$P(v) = \{ R_1, R_2, \dots, R_n \}$$

- So, for example, the profile of the virtue of friendship requires that we acknowledge items in its field through several modes of responsiveness that comprises virtuous dispositions concerning friendship.
- The important aspect of virtue-ethical pluralism, then, is that the modes of moral responsiveness to items in the fields of the virtues are **plural**.
- Their **plurality is determined by the various modes of responsiveness**.

- This conception of virtue acknowledges the **complexity of human responsiveness** to the world.
- The virtues, with their complex profiles, **recognize that we are beings who are not only agents of change** in the attempt to promote good, but also agents of change in the attempt to produce and create.
- Virtues therefore have **profiles containing a plurality of functions, a plurality of modes of moral acknowledgement, and a plurality of targets** (objects of moral concern).

A Pluralistic Virtue Ethics Framework as a Foundation for Business Ethics

- Business ethics is too often conceived as a set of **impositions and constraints**, obstacles to business behavior rather than the motivating force of that behavior.
- So conceived, it is no surprise that many people in business **look upon ethics with suspicion**, as antagonistic if not antithetical costly exercise to their enterprise.

- In our view Swanton's pluralism has an **important role to play** in the domain of business ethics.
- A fundamental characteristic of pluralistic virtue ethics that has to be incorporated into any framework of business ethics is that:

..for an action to be from a state of virtue, that is for an action to be expressive of virtue, it must be expressive of fine inner states and amongst those states will be the background motivation of acting from virtue.

“What makes a trait a virtue is that it is a disposition to respond in an excellent way (or good enough) (through the modes of respecting, appreciative creating, loving, promoting and so on) to items in the fields of virtue”

Swanton calls this principle (T).

An Answer to Some problems Posed by Skeptics

We now turn to answer the critique made by Dobson. In his paper Dobson states that “A detailed understanding of virtue concepts reveals that it is fundamentally anti-ethical to conventional business activity”. Dobson addresses two questions:

- 1) Why is virtue finding such a powerful voice within the business ethics discourse?
- 2) What are the implications for the discipline of business ethics if it is viewed increasingly through the lens of virtue-ethics theory?

Dobson comments that business ethicists often seem to:

... confuse strategic cooperation with moral cooperation. Commenting on the work of Richard T. De George, Dobson continues to say *that the reasons why firms and individuals within firms act with integrity is because they wish to be successful:*
“...success is the aim of integrity..”, the motivation is economic not moral.

- Dobson also utilizes MacIntyer's work who concluded that, **“..the tradition of the virtues is at variance with central features of the modern economic order..”**
- MacIntyre is always clear about the **difference between practices and institutions**. Institutions are characteristically concerned with **external goods**. They are involved in acquiring money and other material goods, they are structured in terms of power and status and they distribute money, power and status as rewards.

- However substantive concepts from pluralistic virtue ethics can aid us here.
- We must be careful not to **confuse business or corporate success** with the **ethical behavior of individuals within the corporate arena.**
- Our argument is that pluralistic virtue ethical frameworks can be successfully implemented at the **individual managerial level.**

The end goal of such **actions may be economic profit**

however

the motivation behind the actions would be to develop and exercise pluralistic business virtues.

- Such a pluralistic ethical framework can incorporate agents within the corporation to carry out “competitive economic activity” that is **congruent to the economic goals of the corporation** and at the same time the actions of such agents will be **grounded within the domain of pluralistic virtue ethics.**
- In an example detailed by MacIntyre and used by Dobson, two fishing communities are compared
Example 1 (technical and economic means)
Example 2 (understanding and devotion to excellence)

MacIntyre comments that the later fishing crew clearly **pursues internal goods of practice**, such an organization is powerless against the rigors of market competition.

Dobson comments and says, “Indeed it seems likely that the later crew would rapidly fall victim to the former if these two crews were in competition for the same fishing grounds.

A truly virtuous corporation qua virtue-ethics theory, therefore is an entity that is **very poorly suited to competitive economic activity”**

- Our view is that there is a key component missing from the above argument. In addition to the **cultivation of the virtues mentioned in the later fishing community**, there is **also the duty of the crew members to work towards the survival of their fishing industry in the competitive fishing market.**
- Their duty is **not only to themselves**, but it **extends to the fishing community of which they are a part.**
- We would therefore argue that the later fishing community will be **motivated by this desire to “excel”** in such a competitive market.

Following Solomon we could therefore say that a corporation, C_1 is defined by its members (individual managers) m_1, m_2, \dots, m_n , so:

$$C_1 = (m_1, m_2, \dots, m_n)$$

For example, for a hedge fund management corporation, m_1, m_2, \dots, m_n could be the hedge fund managers, directors etc.

In a similar manner C_1, C_2, \dots, C_n could form the different hedge fund corporations that form the market for hedge funds, hence the market for hedge funds could be denoted by M_{hf}

$$M_{hf} = \{C_1, C_2, \dots, C_n\}$$

The survival of these corporations within the market would depend on several variables; key amongst these, could be the attainment of external goods, for example, the attainment of profits, as defined by MacIntyre.

We could therefore define the **degree of survival of the corporation** within the market as D_s , where D_s would be a function of several variables such as profits, P , market share, M_s ...so

$$D_s = f(P, M_s, \dots)$$

Managers that form the corporation would formulate strategies and work to achieve goals congruent with corporate strategy in the pursuit of external goods.

Considering our example of hedge fund managers, let us define the **ethical business virtues** of a hedge fund manager, m_1 as BV_{m1} , following Swanton, we could formulate the profiles of such business virtues for a hedge fund manager, these would include, amongst others, Trust, T , Justice, J and Honesty, H



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