

Pluralistic Virtue Ethics and the Corporate Community

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Abstract

In this paper we first present a brief historical introduction of virtue ethics and then continue to explore the “pluralistic view” of virtue ethics as presented by Swanton.¹ We then argue for a pluralistic virtue ethics framework as a foundation for business ethics within a corporate community and 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.

1. Introduction

Virtue Ethics was one of the prevailing approaches in Western moral philosophy until at least the eighteenth century but during the nineteenth century it suffered a momentary eclipse. In January 1958 Anscombe's famous article “Modern Moral Philosophy”² brought it back in the discussion of normative ethics. In her article she emphasized an increasing dissatisfaction with the forms of deontology and utilitarianism. Anscombe's article has also generated virtue ethical readings of philosophers other than Aristotle, such as Hume and Nietzsche³; as a consequence of this, many different forms of virtue ethics have developed. But although modern virtue ethics does not have to take the form known as “neo-Aristotelian”, almost any modern version still shows that its roots are in ancient Greek philosophy by the employment of three concepts derived from it. These concepts are *arête* (excellence or virtue) *phronesis* (practical or moral wisdom) and *eudaimonia* (happiness or flourishing.)⁴

All standard versions of virtue ethics agree that living a life in accordance with virtue is necessary for *eudaimonia*. This supreme good is not conceived of as an independently defined state or life which possession and exercise of the virtues might be thought to promote. It is, within virtue ethics, already conceived of as something of which virtue is at least partially constitutive. Thereby virtue ethicists claim that a human life devoted *only to* physical pleasure or

¹ Swanton, C., *Virtue Ethics A Pluralistic View*. Oxford University Press, 2005.

² The article is available at <http://www.philosophy.uncc.edu/mleldrid/cmt/mmp.html>.

³ Swanton, C., *Virtue Ethics A Pluralistic View*. Oxford University Press, 2005.

⁴ See Hursthouse R., at <http://plato.stanford.edu/entries/ethics-virtue/> on possible problems with the translation of *eudaimonia* with happiness and or flourishing.)

the acquisition of wealth is not *eudaimon*, but a wasted life, and also accept that they cannot produce a good argument for this claim proceeding from premises that the happy hedonist would also acknowledge. But although all standard versions of virtue ethics insist on that conceptual link between virtue and *eudaimonia*, further links are matters of dispute and generate different versions.⁵ For instance for Aristotle, virtue is necessary but not sufficient. Following the Aristotelian perspective what is also needed are external goods. Meanwhile for the Stoics it is sufficient and necessary.⁶ Thus if we follow Swanton account of the *eudaimonism*, the good life is the *eudaimon* life, and the virtues are what enable a human being to be *eudaimon* because the virtues just are those character traits that benefit their possessor in that way. So there is a link between *eudaimonia* and what confers virtue status on a character trait. But according to pluralism, there is no such tight link. In the end the good life is the morally meritorious life, the morally meritorious life is one that is responsive to the demands of the world (on a suitably moralized understanding of "the demands of the world") and is thereby the virtuous life because the virtues just are those character traits in virtue of which their possessor is thus responsive. We now examine how such a suitably moralized understanding of "the demands of the world" can be incorporated in a pluralistic view of virtue ethics.⁷

2. Pluralistic Virtue Ethics

Swanton's pluralism is an important contribution to pluralism. Her account is complex and provocative, surely to be probed by the philosophical community. 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 fields or fields in an excellent or good enough way"⁸

We need to know (1) what kinds of response to items in a virtue's field constitute virtuous responses, (2) what are the 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:

- 1)The field of a virtue.
- 2)Modes and bases of moral responsiveness.
- 3)Profiles of the virtues.
- 4)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

⁵ See Hursthouse, R., at <http://plato.stanford.edu/entries/ethics-virtue/> .

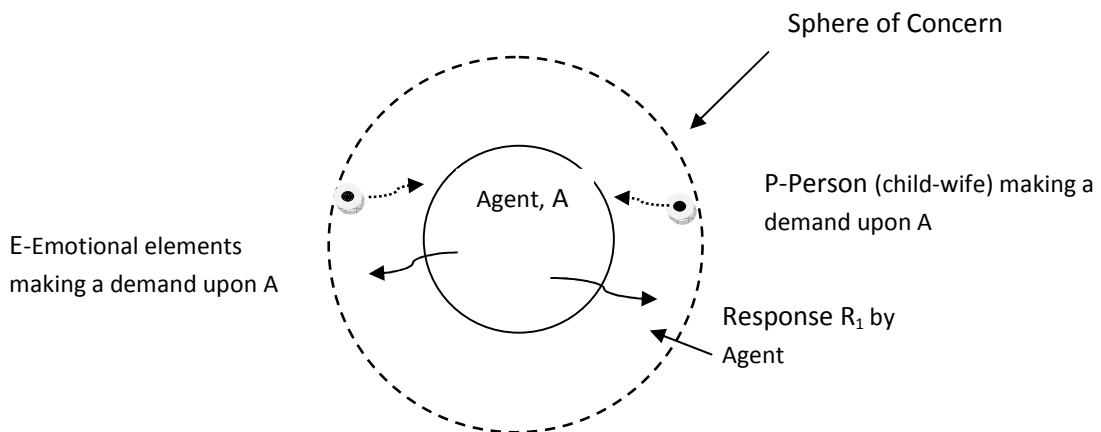
⁶ Annas, J., *The Morality of Happiness*, New York: Oxford University Press, 1993.

⁷ Swanton, C., *Virtue Ethics A Pluralistic View*. Oxford University Press, 2005

⁸ Idem, p. 19.

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. The Kantian view is reflected in those virtues which are at least in part self-regarding, for example, those of self-love, temperance, and the creative virtues necessary for developing one’s talents. Figure 1 represents a pictorial view of the field of a virtue.

Fig. 1 – Illustrating the Sphere of Concern



Swanton explains the modes and bases of moral responsiveness as “kinds of responsiveness” in the virtue’s field. 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.⁹ According to Swanton these modes of moral responsiveness are richly displayed in the virtues. Is it possible to provide some kind of unifying account of the plurality of modes?

In Fig. 1, the response R_1 to the “demands of the world” may take several forms, this represents the plurality of modes of response, and how are these integrated within the virtues and what are the standards for a response to count as good enough to be virtuous? Swanton describes the “profile” of a virtue as that constellation (set) of modes of moral response which comprises the virtuous disposition; R_1 is therefore a response that comprises the virtuous disposition. If we denote the profile of a virtue as $P(v)$, then

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

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. The important aspect of virtue-ethical pluralism, then, is that the modes of moral responsiveness to

⁹ Ibid. 2.1

items in the fields of the virtues are plural. 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.

The other reason for the variety of response acknowledged in the virtues lies not in the nature of the responder but in the nature of the items responded to. Different types of response are warranted by the different types of morally significant features in the items constituting the fields of the virtues. Swanton calls such features a “basis” of moral acknowledgement and observes four such bases: value, status, good (benefit), and bonds. For example various virtues will call for the value of objects to be promoted or honored. Bonds between an agent and items within the field of a virtue may call for such items to be loved in ways appropriate to those bonds, as exhibited in virtues such as compassion, parental love, and friendship.

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 virtue’s function-profile includes its integrative functions, its expressive functions, and its creative functions by way of its multiple modes of moral acknowledgment. In addition to the promotion of value, a virtue’s acknowledgment-profile contains universal love and self-love, respect for persons and proper authority, and various modes of creativity. And a virtue’s target-profile includes the many objects that can be integrated and expressed by various modes of moral acknowledgment.

Having the virtues is having set of good character traits that embed a complete and pluralistic set of good forms of moral acknowledgment: promotion of value, the bonding and attachments that go with universal love and self-love, the distancing that comes with respect for persons and respect for proper authority, and the various modes of creative expression. This aspect of virtue has the function of connecting us to the world and providing us with many objects of concern to be integrated into a good life.

The plural modes of moral acknowledgment that are expressed in good character-trait-profiles require that good character-trait-profiles have integrative functions that bring unity to this plurality and expressive functions that allow the virtuous person to coherently express a life that honors all these modes of acknowledgment in an integrated way. This explains why moral concern is many and not one but nonetheless a substantially integrated whole. What is central is that the view we are being asked to accept by Swanton is one in which no one mode of moral acknowledgment dominates all other forms of moral acknowledgment. Each operates as a constraint on the expression and integration of the others to achieve a coherent whole. This means that we should reject any monistic view that either acknowledges only one form of moral concern or gives lexical priority of place to a single form of moral concern across all moral contexts.

Another part of the view that we are being asked to accept is that possessing the virtues raises the question of right action in a certain way and provides the grounds for answering it. Possessing the plural acknowledgment-profiles of good character traits gives us reasons to care about the targets of the virtues “as the demands of the world” and about how these demands can be reconciled and integrated in a coherent way in terms of action. Indeed, the issue of right action just is how to integrate, reconcile, and express the demands of the world as they press upon a person of good character. The positive view that we are being asked to accept then is the view that right action is action that satisfactorily meets the demands of the world, the demands of honoring the targets of the virtues as objects of plural modes of moral acknowledgment. Among

other things, this means that we should reject views that reduce the demands of the world to the demands of what contributes to our flourishing.

Finally, to possess the virtues requires the capacity to integrate and reconcile a plurality of concerns and demands of the world. The achievement of this requires a moral epistemology that involves a context dependent procedure of carefully specifying the contexts in which conflicts arise. Successful integration is often achieved by seeing how the conflicts are resolved by a proper understanding of the particular features of the contexts in which they arise. Possessing the virtues means possessing the virtues of practice, which include the virtues of inquiry and wisdom about how to specify ends in their various contexts. It also means being open to the views of others and the kind of searching dialogue required to properly respond to the demands of the world. What role does Swanton's pluralistic virtue ethics play in the arena of business?

3. Pluralistic Virtue Ethics and the Business Arena

The problem with business ethics is not vulgar ignorance anymore but a far more sophisticated confusion concerning exactly what the subject is supposed to do and how (to employ a much overworked contrast) the theory applies to the practice of business. Indeed a large part of the problem is that it is by no means clear what a theory in business ethics is supposed to look like or whether there is, as such, any such theoretical enterprise. 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 to their enterprise. But properly understood ethics does not and should not consist of a set of prohibitive principles or rules. In our view Swanton's pluralism has an important role to play in the domain of business ethics. We begin by detailing Swanton's idea of the role of love and respect in the profiles of the virtues and then extend this to the arena of business ethics.

As detailed in the previous section the concept of good character-trait-profiles is central to understanding the kind of pluralistic virtue ethics being recommended by Swanton. The shape of the virtues, for Swanton, is determined by the specification of standards for responsiveness to items in the virtues field. What we mean by this is that inasmuch as virtue demands that we transcend various personal desires, attachments, feelings and emotions in our responses to the demands of the world, we want to know just what is the nature and extent of such a demand. A central distinguishing feature of a pluralist virtue-ethical account of virtue lies in its conception of what counts as acknowledgement of an item which is good enough to count as manifesting a state of virtue. Such acknowledgement must express inner states that are sufficiently fine.

For Swanton, expressing inner states is an aspect of the profiles of the virtues, for each mode of moral acknowledgement comprising the profile, be it providing value or respecting individuals, must express those states. 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. According to Swanton the features that make traits virtues are exactly the same features that determine the virtuousness of response to items in the field of a virtue. This yields the following principle of virtue status:

“What makes a trait a virtue is that it is a disposition to respond in an excellent way (or good enough) way (through the modes of respecting, appreciative creating, loving, promoting and so on) to items in the fields of virtue”.¹⁰

Swanton calls this principle (T). The essential difference between (T) and neo-Aristotelian virtue ethics is that the later is characterized by an attempt to combine eudemonism and naturalism through the unifying idea of the perfection of our (rational) nature. Perfection of our nature certainly requires not merely that we flourish but that we respond excellently to the demands of the world. A pivotal integrating role is played by love and respect in the profiles of the virtues. According to Swanton¹¹, Kant is correct in his claim that love and respect (including self-love and self-respect) are the two great moral forces and they must come into equilibrium if they are to constitute aspects of profiles of all the virtues. That love features in all the virtues is a *prima facie* counterintuitive claim. For example, perseverance as a virtue requires self-love if a healthy bonding with ones’ projects is to be worthwhile in a virtuous manner.

For example, laboratory technicians and other specialists are less likely to concentrate on the examination of cervical smears if they fail to have the attitude “there is a woman behind every smear” and an attitude of concern for those women, there may be research abuses if there is inadequate respect.

If love and respect are aspects of the profiles of all virtue, we might ask, how do these feature in the different kinds of virtue? A virtue ethics recognizes that love and respect as “two great moral forces” have to be interpreted through the various virtues. According to Swanton¹² their nature as displayed in the virtues will be appropriately contoured by the following sources of variation:

- The various types of objects which constitute the fields of the virtues
- The different aims of the virtues in relation to those fields
- The different bases of moral response which are appropriate to the kinds of items in the virtue’s field, and to the aims of that virtue.
- The way the virtue is manifested in the narrative structure of the agent’s life.

Consider the example of a business manager in an organization that is involved in multicultural trade. This business manager is under pressure to meet strict deadlines relating to sales targets. The sales team he manages has to work over-time during the weekend and one of the members of the sales team cannot meet this requirement as she is also under pressure to look after her disabled child at home, as no one else can do this for her during the weekend. Her work is important as this is the only source of income and working overtime may bring her a much needed bonus payment. To make things more complicated the business manager is also emotionally attached to this member of staff of his sales team; he is married but has been having an elusive relationship with this sales team member for a few years. What does Swanton say concerning the modes of moral response of this manager?

According to Swanton if we are to assess whether loving attention is required in virtue we need to first consider what role wisdom plays in loving attention. The business manager has all

¹⁰ Ibid. 93

¹¹ Ibid.100

¹² Ibid. 101

the required knowledge of his staff member in order to decide what ought to be done in this case; however we need to ask the question, is this all that is required? Swanton identifies two important issues, namely:

1. What is the relation between attention and love?
2. Can (loving) attention be distorting, and inaccurate to the facts?

In the above example, what is required to formulate a complete analysis of the situation and therefore a pluralistic virtuous response is not further knowledge of the team member that the business manager is having an affair with, but what psychological and historical traits of the relationship are distorting his emotional perceptions. So, the requirement is not further knowledge of the team member, but self-knowledge. As Murdoch claims, “The world is aimless, chancy and huge and we are blinded by self”.¹³ The point made here is that because the world is “chancy and huge” perception is necessarily highly selective, but the selection must be free of psychological distortions. The difficulty is to keep the attention field upon the real situation and to prevent it from returning surreptitiously to the self with consolations of self-pity, resentment, fantasy and despair. Receptivity is also inhibited by anxiety, according to Murdoch:

“By opening our eyes we do not necessarily see what confronts us. We are anxiety ridden animals. Our minds are continuously active, fabricating an anxious, usually self-preoccupied, often falsifying veil which, partially conceals the world”.¹⁴

Attention, required to gain an increased perception of detail in a huge, complex world, and a sense of relevance of detail to problems cannot therefore be blinded by self and the obscure devices of the psyche. In the example detailed earlier, unless the distortive elements within attention are identified and the relevant action taken, the insecure manager whose attention is “emotionally inclined” as a consequence of his own emotional attachment will most probably fail to recognize the goal of the sales team clearly, let alone utilize their strengths in ways optimally beneficial to the organization.

We now turn to answer the critique made by Dobson¹⁵. 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?

In answering the first question, Dobson suggest that business ethics is turning to virtue ethics because attempts to apply other moral philosophies have failed and commenting on the second question Dobson says that by “admitting” virtue ethics into “[...] the walls of business ethics

¹³ “The Sovereignty of Good over Other Concepts”, *The Sovereignty of the Good*, London: Routledge, 1970, 77-104,
at 100.

¹⁴ *Ibid.* 84

¹⁵ Dobson, J. “Virtue Ethics as a Foundation for Business Ethics: A “MacIntyre-Based” Critique”, Paper available at www.stthomas.edu/cathstudies/cst/conferences/antwerp/.../Dobson.pdf

theory, will force the later to question the very tenets of competitive business enterprise".¹⁶ We agree with Dobson when he says that the crucial factor here is not observable action, but rather the underlying motivation. It is the motivation for the action that determines whether the act is fundamentally ethical or economic. Dobson comments that business ethicists often seem to forget this; they confuse strategic cooperation with moral cooperation. Commenting on the work of Richard T. De George¹⁷ 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.

We agree with Dobson that "economic rationales" cannot be used to "sell" ethics in business. 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. Individuals running and governing business organizations within a competitive business environment are bound by the framework of pluralistic virtue ethics discussed earlier. Our argument is that such ethical frameworks can be successfully implemented at the individual managerial level as will be detailed later on in this paper.

Dobson quotes the review of Robert Black¹⁸ and says that there is "confusion between motivation and action". The action appears moral, but the motivation is clearly material when businesses honor contracts in order to foster ongoing customer relations. However following what was discussed earlier concerning pluralistic virtue ethics, such action is not compatible with behavior at the individual level. Modes of moral acknowledgement would require the implementation of business virtues that an individual sales manager would aim to develop; 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.

Dobson asks the following questions, "[...] what exactly precludes individuals within a corporation from exercising the virtues? Why can we not have a virtuous corporation?"¹⁹

Dobson is in fact asking two different questions, the first relates to an individual within an organization and the exercise of business virtues, the second question relates to a virtuous corporation. As stated earlier, a pluralistic virtue ethics framework can be applied to formulate an understanding of ethical behavior and motivation of an individual (manager) within a corporation. 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.

Dobson utilizes MacIntyre's work who concluded that, "[...] the tradition of the virtues is at variance with central features of the modern economic order [...]".²⁰ Dobson utilizes MacIntyre's conclusion, which is based on three key ideas, that of a "practice", "external good" and an "internal good", to show that virtue ethics excludes competitive economic activity. Before we continue to show that a pluralistic virtue ethics framework can indeed incorporate competitive economic activity, contrary to Dobson's view point, it is worth elaborating on the three key ideas of MacIntyre mentioned above. According to MacIntyre external goods are characteristically

¹⁶ Ibid. 1

¹⁷ De George, R. T., *Business Ethics*, 4th Edition, Prentice Hall, New York, 1995.

¹⁸ Black, R., "John Commons on Customer Goodwill and Economic Value of Business Ethics: Response to Professor Sen, *Business Ethics Quarterly* 4, No.3, 359-366, 1994.

¹⁹ See Dobson page 5.

²⁰ MacIntyre, A., *After Virtue*, University of Notre Dame Press, 2nd Edition, Notre Dame, p.254, 1984.

objects of competition in which there must be losers as well as winners. Internal goods are indeed the outcome of competition to excel, but it is characteristic of them that their outcome is a good for the whole community who participate in the practice, so according to MacIntyre a tentative definition of virtue could be:

“A virtue is an acquired human quality the possession of which and the exercise of which tends to enable us to achieve these goods which are internal to practices and the lack of which effectively prevents us from achieving any such goods”.²¹

When Aristotle speaks of excellence in human activity, he sometimes though not always, refers to some well-defined type of human activity. MacIntyre suggests that this notion of a particular type of practice as providing the arena in which the virtues are exhibited and in terms of which they are to receive their primary definition is crucial. Let us, for a moment, elaborate on what “practice” could mean. MacIntyre suggests that this could mean any coherent and complex form of socially established cooperative human activity through which goods internal to that form of activity are realized in the course of trying to achieve these standards of excellence which are appropriate to, and in particular definitive of that form of activity, with the result that human powers to achieve excellence, and human conceptions of the ends and goods involved are systematically extended.

Every practice requires some kind of relationship between those who participate in it, the virtues are those goods by reference to which, whether we like it or not, we define our relationship to those other people with whom we share the kind of purpose and standards which inform practices. 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. Institutions and practices characteristically form a single causal order in which the ideals and the creativity of the practice are always vulnerable to the acquisitiveness of the institution, in which the corporate goods of practice are vulnerable to the competitiveness of the institution. In this context the essential function of the virtues is clear. Without them, without justice, courage and the truthfulness, practices could not resist the corrupting power of institutions. We could therefore formulate MacIntyre’s relationship between external and internal goods as follows, if we denote internal goods as IG and external goods as EG then,

$$IG = f\left(\frac{1}{EG}\right)$$

As MacIntyre says, “[...] possession of the virtues may perfectly well hinder us in achieving external goods [...]”.²² In other words, pursuit of external goods is inversely related to the acquisition of internal goods. In an example detailed by MacIntyre and used by Dobson, two fishing communities are compared:

“A fishing crew may be organised as a purely technical and economic means to a productive end, whose aim is only overridingly to satisfy as profitably as possible some market demand for fish. Just as those managing its organization aim at high level of profits, so also the individual crew members aim at a high level of reward [...]. When however the level of reward is insufficiently high then the individual whose motivations and values are of this kind have for her or his own point of view the best reasons for leaving this particular crew or even taking another

²¹ Ibid. 191.

²² Ibid. 196.

trade [...]. Management will from its point of view have no good reason, and owners will have no good reason not to invest their money elsewhere”.²³

According to MacIntyre such an organization is clearly one that is pursuing external goods in a competitive market economy. MacIntyre goes on to describe another fishing community.

“Consider by contrast a crew whose members may well have initially joined for the sake of their wage or other share of the catch, but who have acquired from the rest of the crew an understanding of and devotion to excellence in fishing and to excellence in playing ones part as a member of such a crew....so the interdependence of the members of a fishing crew in respect of skills, the achievement of goods and the acquisition of virtues will extend to and interdependence of the families of the crew members and perhaps beyond them to the whole society of the fishing village”.²⁴

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”.²⁵

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. As a consequence the crew members that form such a community will cultivate and exercise such pluralistic virtues of “survival”, one could argue further and say that such virtues may compel the flourishing of the competitive economic market, since the existence of such a vibrant competitive economic market is a pre-requisite for the existence of any fishing community that is to aim for profit maximization as their key strategic objective.

In order to understand this point, it is important to make a much neglected distinction between a corporation and a corporate community. Some business ethicists note that a corporation is a type of community, for example Solomon²⁶ states that, “corporations are real communities”. 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. The survival of these corporations within the market would depend on several variables; key amongst these, could be the attainment

²³ Ibid. 285.

²⁴ Ibid. 285.

²⁵ See Dobson, p.9.

²⁶ Solomon, Robert C., “Corporate Roles, Personal Virtues, An Aristotelian Approach to Business Ethics”, *Business Ethics Quarterly*, 2, p.325, 1992.

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 so:

$$BV_{m1} = f(T, J, H, \dots).$$

Following the ideas developed earlier concerning pluralistic virtue ethics, it would be reasonable to consider such business virtues as dispositions of the hedge fund manager. This is a reasonable claim; if someone is generous, say that she has a character of a certain sort; she is dispositionally, that is, habitually and reliably generous. So, such managers would have dispositions to act for reasons. The exercise of the managers practical reasoning is thus essential to the way such virtues would be built up and exercised, they would be dispositions to do the right thing for the right reasons, in the appropriate way – honestly, courageously, and so on. This would involve two aspects, the affective and the intellectual. What would be the affective part of virtue in this case? Managers may do the right thing and have a variety of feelings and reactions to such actions. They may discover that doing the right thing may be contrary to their desires, so they may do the right thing but with conflicted feelings or with difficulty; do the right thing effortlessly and with no internal opposition, virtue requires doing the right thing for the right reasons, without serious internal opposition as a matter of character – the manager *understands* that this is the right thing to do. It is therefore essential that to develop such pluralistic business virtues the manager goes through appropriate training programs incorporating the development of character that allows the manager to think for himself about reasons on which he acts. Following Swanton²⁷ the notion of virtues as prototypes could be incorporated within such a training framework. Swanton suggests thinking of virtues as a framework of broad constraints (the prototype) which is then “contoured” (made more specific) so that such prototypes are applicable to concrete situations.

Ideally, the manager will begin to reflect for himself on what he has accepted, will detect and deal with inconsistencies, and will try to make his judgments and practice coherent in terms of a wider understanding that enables him to unify, explain and justify the particular decisions he makes. This is a process that requires the agent at every stage to use his mind, to think about what he is doing and to try to achieve understanding.²⁸

The development of such ethical understanding, leading the manager to develop dispositions that are virtues is like the acquisition of practical skills or experience. As Aristotle says, becoming just is like becoming a builder, one is not born with such character traits. In the case of

²⁷ See Swanton, p. 279.

²⁸ Annas, J., “My Station and Its Duties, Ideal and the Social Embeddedness of Virtue”, Proceedings of the Aristotelian Society n.s., 102, 109-123, 2002.

the hedge fund manager progressive training and learning of business virtues will be an essential component of a management training program. With a practical skill, there is something to learn, something conveyable by teaching, there is progress from the mechanical rule – or model-following of the learner to greater understanding of the expert, whose responses are sensitive to the particularities of situations, as well as expressing learning and general reflection. Corporate business ethics training incorporating such conveyable skills has shown to be successful and productive for management decision making.²⁹ Following such a coordinated training program the set of managers forming the corporate community would develop pluralistic virtue ethics skills as part of their character, with appropriate coaching at the individual level such training could be focused to attend to the lack of virtue ethical traits in management decision making. We could therefore define the ethical character, EC_c of the corporate community as the sum of the ethical business virtues of the individual members forming that community:

$$EC_c = \sum_{n=1}^k BV_{m_n}$$

Contrary to what was discussed earlier concerning the work of MacIntyre and Dobson, the ethical character of a business community, as defined above, would offer us a framework to incorporate a pluralistic virtue ethics framework at the level of a corporate community, this would allow us to re-define our notion of degree of survival of a corporation in a competitive market as:

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

Acting virtuously is not therefore an alternative to making money as described by MacIntyre and Dobson but rather, making money is one of the things you have to do, as the degree of survival, D_s for a corporation is a function of profitability, P . Managers can therefore make money virtuously or not; which of the two options chosen makes all difference to the significance of the corporation in the market. Consumer behavior is increasingly determining market structures and responses; one of the key determinants of such consumer led demand is the corporation's response to ethical objectives. There is ample evidence to indicate³⁰ that corporations integrating ethical principles within their strategic objectives outperform, in the long-run, those that do not follow such actions.

The much neglected importance of incorporating business ethics training at all levels of management has taken on importance recently. There is recent evidence³¹ indicating that the brain has two systems for making judgments about money and a whole array of other decisions that allow us to navigate our everyday lives, one system is intuitive, the other rational. The intuitive system sometimes produces errors in thinking, "cognitive biases", which lead us to trouble when dealing with financial matters. Neuroeconomics in a close relation of behavioral economics has determined how such biases have led us to formulate decisions based on the use of money. Pinpointing the irrational psychological factors that lead to bubbles and severe market disequilibrium conditions, behavioral psychologists have addressed "money illusion" and other irrational psychological foibles as the key underlying features for financial bubbles and severe

²⁹ Gahir, B., "An Evaluation of Business Ethics Training through DIT and Content Analysis", CASA Conference, June 2007.

³⁰ Franklin, D., "Corporate Social Responsibility- Just Good Business", The Economist, January 2008.

³¹ Stix, G., "The Science of Bubbles and Busts", Scientific American, 64-71, July 2009.

downturns that follow. Schiller³², leader in the field, cites “animal spirits” – a phrase originally used by John Maynard Keynes as the predominant cause of such irrational behaviour. The business cycle, the normal ebbs and peaks of economic activity depends on a basic sense of trust (an ethical principle forming one of the business ethics virtues defined earlier), for both business and consumers to engage one another every day in routine economic dealings. This basis for trust, however is not always built on rational assessments. Animal spirits – the gut feeling that, yes, this is the time to buy that house or that stock – drive people to overconfidence and rash decision making during a boom. Emotion-driven decision making complement cognitive biases that lead to poor investment logic. Such “animal spirit” reactions are ample evidence to indicate the paramount need for business ethics training at all levels of management coupled with a framework of governance to ensure that pluralistic virtue ethics principles are embedded within management decision making. Without a governance framework such pluralistic virtue ethics principles would only be an optional choice for the corporate community and would therefore be adopted for non-ethical motivational reasons. Behavioral economics has gone beyond just trying to provide explanations for why investors behave as they do. It actually supplies a framework incorporating key pluralistic virtue ethical principles for investing and policy making to help people avoid succumbing to emotion-based or ill-conceived investments, Sustein³³ has come up with the term “libertarian paternalism” to describe how government regulation can nudge people away from an inclination towards poor decision making based on self interested profit motives coupled with irrationalism (MacIntyre’s external goods). It relies on a heuristic called anchoring – a suggestion of how to begin thinking about something in the hope that thought carries over to behavior. Decision making can be more complex for a business or hedge fund manager based with conflicting desires, in such circumstances, a “choice architecture” incorporating a pluralistic virtue ethics framework would assist to formulate decisions amongst various options, various examples incorporating such strategies have been detailed by Thaler, the founder of behavioral economics.³⁴

I would therefore argue that it is part of the business processes of a corporate community to integrate the training of pluralistic virtue ethical principles that can be governed by an appropriate framework. What is important, however, is that such virtue ethical training frameworks cannot be developed into a theory telling people what it is right and wrong to do in a way that pays no attention to the fact that they are aspiring to ideals from within different contexts and at very different stages of their own ethical development. As has been forcefully pointed out by Hursthouse³⁵, this is a completely unrealistic view of ethical thinking.

4. Conclusion

In this paper our intention has been to provide an understanding of pluralistic virtue ethics as detailed by Swanton and to apply such a framework to a corporate community. A tentative definition of a corporate community was provided with a view to make a distinction between a corporation and a corporate community. The importance of business ethics training with an appropriate governance framework was stressed as a key component for the successful

³² Schiler, Robert J., “The Subprime Solution: How Today’s Global Financial Crisis Happened and What To Do about It”, Princeton University press, 2008.

³³ Sunstein, Cass R., and Thaler, Richard H., “Nudge: Improving Decisions about Health, Wealth and Happiness”, Penguin Books, 2009.

³⁴ Ibid.

³⁵ Hursthouse, R., “On Virtue Ethics”, Oxford University Press, 1999.

implementation of any kind of pluralistic virtue ethics framework at the managerial level forming a business community.