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CORPORATE CHARACTER: MODERN VIRTUE ETHICS AND THE VIRTUOUS CORPORATION

Geoff Moore

Abstract: This paper is a further development of two previous pieces of work (Moore 2002, 2005) in which modern virtue ethics, and in particular MacIntyre's (1985) related notions of "practice" and "institution," have been explored in the context of business. It first introduces and defines the concept of corporate character and seeks to establish why it is important. It then reviews MacIntyre's virtues-practice-institution schema and the implications of this at the level of the institution in question—the corporation—and argues that the concept of corporate character follows from, but is a novel development of, MacIntyre's schema. The paper contrasts corporate character and virtues with the more familiar concepts of corporate culture and values. The constitutive and substantive elements of corporate character, including the essential corporate virtues, are then drawn out and illustrated with reference to the cases explored in Koehn (1998). Finally, the paper acknowledges and counters a specific criticism of this approach.

Introduction

This paper is a further development of two previous pieces of work (Moore 2002, 2005) in which modern virtue ethics, and in particular MacIntyre's (1985) related notions of "practice" and "institution," have been explored in the context of business. In the first paper it was argued that MacIntyre's concept of a practice could be applied to business, with the corporation as the institution which "houses" the practice, and that this way of conceptualising business and business ethics enables a more substantial conceptualisation of the virtuous corporation than has hitherto been available. For those who work in business the further implications of this were explored in the second paper in which the potential for business-as-practice to be a source of moral development led to the notions of craftsmanship and craftsmanship in community. It was argued that craftsmen, acting together in community, would not only gain personally in terms of their own narrative quest towards their own *telos*,[1] but would also assist in the humanizing of business. The full humanizing of business, however, will take place only if two other pieces of this conceptual jigsaw puzzle fall into place. These are the development at the level of what MacIntyre terms the institution (the

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corporation) of an understanding of what it means to be virtuous—what I shall call "corporate character"—and secondly the realisation of this in the managerial role within such corporations.

This paper focuses on the first of these two further parts of the jigsaw puzzle (the fourth is intended to be the subject of a future paper). First, it introduces and sets out a definition of institutional/corporate character and seeks to establish why it is important. In order both to explain and substantiate the definition, the paper then reviews MacIntyre's virtues-practice-institution schema and the implications of this at the level of the institution—the corporation. It argues that the concept of corporate character follows from, but is a novel development of, MacIntyre's schema. The paper then contrasts the concepts thus derived with those of the more familiar concepts of corporate culture and values thereby drawing out the distinctiveness of the virtues/character approach. The constitutive and substantive elements of corporate character, including the essential corporate virtues, are then discussed and illustrated by reviewing the cases explored in Koehn (1998). Finally, the paper acknowledges and seeks to counter Beadle's (2002) critique concerning the misappropriation of MacIntyre's work in capitalist business organisations, concluding that here, and perhaps especially, the notion of corporate character is needed.

Corporate Character: What Is it and Why Is it Important?

In human terms there is a tension between two different types of goods which we require in pursuing our narrative quest towards our own *telos*. That is, according to MacIntyre (1985: 188–89), there are "internal" goods, such as those obtainable from loving relationships, playing or listening to a piece of music, or from various kinds of intellectual stimulation, which are generally derivable from the exercise of the virtues in a search for excellence within the context of a particular practice. In the context of business such internal goods might include the enjoyment of the exercise of practical skills, the stimulation that the competitive situation affords, pride in accomplishment[2] and the personal dignity that derives from a job well done. By contrast, there are "external" goods, such as prestige, status or money, which can be achieved in a variety of alternative ways not linked to any particular practice. These we can refer to as "goods of effectiveness," as opposed to internal goods which are "goods of excellence." That these different types of goods (they are *both* genuinely "goods") are mutually reinforcing should be evident. As MacIntyre puts it:

> It would be a large misconception to suppose that allegiance to goods of the one kind necessarily excluded allegiance to goods of the other. . . . Thus the goods of excellence cannot be systematically cultivated unless at least some of the goods of effectiveness are also pursued. On the other hand it is difficult in most social contexts to pursue the goods of effectiveness without cultivating at least to some degree the goods of excellence. (MacIntyre 1988: 35)

However, while in the ideal situation these different kinds of goods are mutually reinforcing, it is clear from MacIntyre's work that internal goods should be privileged over external goods if the good life is to be achieved. The danger, to which many

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of us are prone of course, is that the opposite occurs. MacIntyre warns: "We should therefore expect that, if in a particular society the pursuit of external goods were to become dominant, the concept of the virtues [necessary for the achievement of internal goods] might suffer first attrition and then perhaps something near total effacement, although simulacra might abound" (1985: 196).

If we translate this approach to corporations, it could well be argued that the fundamental challenge that such institutions face is that, in the need to pursue external goods (profit or reputation, for example) in order to sustain themselves, the pursuit of these goods, if taken to any kind of extreme, can corrupt the practice (the practice of retailing, for example—see Moore 2002: 24), at the core of the corporation. Such corruption could thereby reduce or eliminate the achievement of the internal goods (goods of excellence) and could, potentially at least, "kill" the corporation from the inside in the process. MacIntyre's contention is that, in the *capitalist* forms of business organisation that have emerged, this is precisely what has occurred. The corporation has, in effect, "won" over the practice—its justification is the pursuit of the goods of effectiveness—such that "much modern industrial productive and service work is organised so as to exclude the features distinctive of a practice" and in such a way that this type of activity is "at once alien and antagonistic to practices" (MacIntyre 1994: 286). Thus, capitalist business organisations fail to provide the kind of conducive environment within which the virtues may flourish and internal goods (goods of excellence) may be achieved.

If this is so, the question then becomes what can be done to maintain an appropriate *balance* between the pursuit of internal and external goods in such a way that the corporation is able to preserve the practice at its core by ensuring that it is not eroded by the inordinate pursuit of external goods? Such balance, if achieved, would then enable its employees and others (both organisations and individuals) with which it engages to exercise the virtues in pursuit of their own goods of excellence and their own *telos*.

The argument of this paper is that the concept of corporate character, together with its constitutive and substantive elements, comes to the rescue at precisely this point by illuminating and offering practical help with this fundamental tension that threatens to pervert the very purpose of a corporation and the activities that go towards the satisfaction of that purpose. A virtuous corporate character might, therefore, be defined as follows (a definition that we will need to return to by way of explanation and elaboration in the remainder of this paper): *A virtuous corporate character is the seat of the virtues necessary for a corporation to engage in practices with excellence, focusing on those internal goods thereby obtainable, while warding off threats from its own inordinate pursuit of external goods and from the corrupting power of other institutions with which it engages.*

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Macintyre's Virtues-Practice-Institution Schema and the Virtuous Corporation

Let us begin to see how all of this might make sense by taking a step or two backwards and exploring MacIntyre's virtues-practice-institution schema in some detail. Let us take as a starting point that MacIntyre's concept of a practice ("any coherent and complex form of socially established cooperative human activity" (MacIntyre 1985: 187)) can be applied to business—to all types of business including capitalist corporations for which MacIntyre, as we have already seen, reserves his harshest criticism. (As noted above, I will return to and defend this particular contention at the end of the paper.) This schema enables the introduction of the concept of virtue (and vice) into the corporate and, more generally, the organisational sphere and provides an over-arching conceptual framework within which so to do. What follows from this is that individuals can, by possessing and exercising the virtues within the practice of business (as with any practice in which they engage), gain the internal goods available thus enabling them on their narrative quest towards their own *telos*.

However, this initial virtues-practice schema, in which internal goods attainable at the individual level are to the fore, needs to be extended by the addition of the institution that houses the practice—at which point external goods enter the frame. MacIntyre writes:

> Institutions are characteristically and necessarily 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. Nor could they do otherwise if they are to sustain not only themselves, but also the practices of which they are the bearers. For no practices can survive for any length of time unsustained by institutions. Indeed so intimate is the relationship of practices to institutions—and consequently of the goods external to the goods internal to the practices in question—that 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 cooperative care for common goods of the practice is always vulnerable to the competitiveness of the institution. In this context the essential feature of the virtues is clear. Without them, without justice, courage and truthfulness, practices could not resist the corrupting power of institutions. (MacIntyre 1985: 194)

Clearly, different institutions, and potentially different institutional forms, will support to different extents the practices which they house, and thereby enable the exercise of the virtues and the attainment of internal goods to a greater or lesser degree. Indeed, as MacIntyre notes, "practices are often distorted by their modes of institutionalisation, when irrelevant considerations relating to money, power and status are allowed to invade the practice" (MacIntyre 1994: 289). Put the other way around, but in effect making the same point, MacIntyre argues that

> the ability of a practice to retain its integrity will depend on the way in which the virtues can be and are exercised in sustaining the institutional forms which are the social bearers of the practice. The integrity of a practice causally requires

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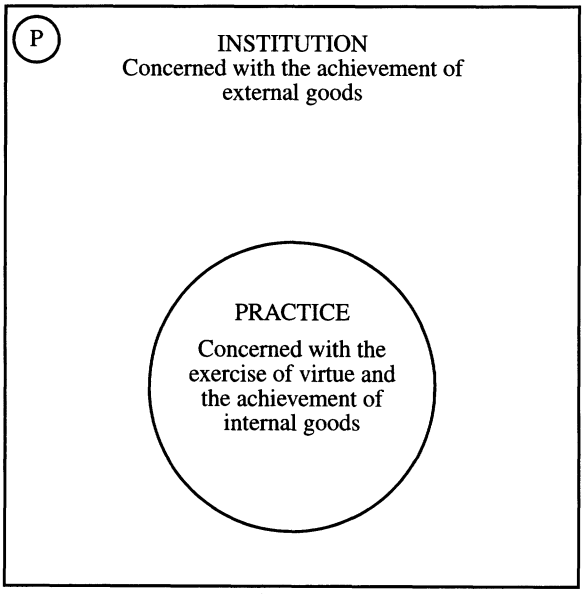
> the exercise of the virtues by at least some of the individuals who embody it in their activities; and conversely the corruption of institutions is always in part at least an effect of the vices. (MacIntyre 1985: 195)

Thus, an important part of the whole virtues-practice-institution schema is to focus on the level of the institution in order to assess what features of the institution will better enable it not to distort the practice that it houses—indeed to sustain and foster it.[3] And equally, there is a need to focus on the virtues necessary to sustain what we might call such virtuous institutional forms.

In focusing on the level of the institution, MacIntyre himself makes the important point that, "the making and sustaining of forms of human community—*and therefore of institutions*—itself has all the characteristics of a practice, and moreover of a practice which stands in a peculiarly close relationship to the exercise of the virtues" (MacIntyre 1985: 194, emphasis added). In other words, those who have, in one sense, outgrown the practice and now represent the institution that houses it, also have the same opportunity to exercise the virtues in the making and sustaining of the institution, and thereby have the same opportunity to attain the relevant internal goods enabling them on their own narrative quest towards their own *telos*. The exercise of the virtues is appropriate at that level also. This more complex schema may be represented by the diagram below where the "P" inside the smaller circle represents the practice of making and sustaining the institution.



By way of an elaboration of MacIntyre's argument, I wish to suggest that an appropriate way of further conceptualising this is to think not just in terms of particular individuals and their exercise (or not) of the virtues at the institutional level, as MacIntyre does, but also in terms of *institutional* level virtues (and vices), and hence of

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institutional *character*. Just as MacIntyre talks of the concern for external goods and the acquisitiveness and competitiveness *of the institution*, it seems perfectly possible, by way of analogy or projection (Goodpaster and Matthews 1982: 135), or by way of metaphor (Morgan 1997: 4–8 and *passim*), to speak of the institution as having a virtuous or vicious character or, as I will discuss below, a character that is somewhere between these two extremes.[4]

This will, of course, require further elaboration below. In order to explore the concept of corporate character a little further at this stage, however, it is instructive to contrast character with personal identity at the individual level. Personal identity is usually taken to mean the psychological connectedness of an individual—that is to say the continuity of intention, memory and emotion through time (Hartman 1996: 122–23). MacIntyre notes, for example, how emotivism leads to a "self with no continuities, save those of the body which is its bearer and of the memory which to the best of its ability gathers in the past" (MacIntyre 1985: 33)—a terrible indictment of modernity. Character, however, while clearly related to personal identity, is to do with moral development and the "type" of person one becomes as a result. We talk appropriately of someone doing something that is "out of character," but to say that an act was "out of personality" makes no sense. Character is shaped by experience and, over time, develops into something relatively fixed,[5] although, as Solomon points out, "character is never fully formed and settled. . . . It is always vulnerable to circumstances and trauma. . . . People change, and they are malleable" (Solomon 2003: 45). This leads to an important recognition, to which we will return, that character at the individual level, and by extension at the institutional level, is "vulnerable to environment," although as Solomon notes "it is also a bulwark *against* environment" (Solomon 2003: 46).[6]

This leads MacIntyre to bemoan modern corporate organisations where, for executives, character "has become more like a mask or a suit of clothing; an agent may have to possess more than one" (MacIntyre 1979: 125). MacIntyre here is not talking about being required to play different roles but about the essential virtue of integrity by which character remains the same across a variety of practices irrespective of role. Similarly, Sennett talks of the conditions of time in the new capitalism ("no long term") as creating "a conflict between character and experience, the experience of disjointed time threatening the ability of people to form their characters into sustained narratives" (Sennett 1998: 24). These related aspects—the relative fixity of character and the requirement to sustain it over time, and the associated virtues of integrity and constancy—are not only important in the context of the individual but will also require further exploration in the context of the corporation.

At this point, however, I need also to say something more about the virtues. The virtues are, of course, central to the development of character since there is within the concept of virtue the notion that it is deeply embedded in the character of the individual such that "virtues are dispositions not only to act in particular ways, but also to feel in particular ways . . . to act virtuously . . . is to act from inclination formed by the cultivation of the virtues" (MacIntyre 1985: 149). In addition, and to relate the concept of virtues back to MacIntyre's virtues-practice-institution schema given

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above, MacIntyre further defines virtues as "those dispositions which will not only sustain practices and enable us to achieve the goods internal to practices, but which will sustain us in the relevant kind of quest for the good" (MacIntyre 1985: 219).

On the basis of these combined notions of feeling as well as acting and of the pursuit of the good, we can, following Aristotle and Aquinas, devise a four-fold categorisation of character (Porter 1994). The person of *true virtue* "is characterised by harmonious unanimity among her feelings, judgments and will" such that there is no conflict between the passions and the will. "The actions of the *continent* [self-controlled] person are of a kind that is characteristic of temperance and fortitude, and yet the overall pattern of the individual's life, including his responses as well as his actions, reveal that he does not truly possess the virtues." The "*incontinent* person . . . has a correct understanding of his true good [but] nonetheless acts contrary to that understanding. Such an individual performs the actions of a particular vice, for example of gluttony, without actually being a glutton." "Finally, what characterises the truly *vicious* individual . . . is that he truly believes that his inordinate pursuit of the pleasures of the palate, or whatever, is necessary to his ultimate happiness" (Porter 1994: 114–15, emphases and explanatory notes added). In a manner similar to the above, I wish to argue that it is appropriate to extend these descriptions at the individual level to the institutional level and so to speak, by way of metaphor, of corporate virtues (and vices) and of virtuous, continent, incontinent, and vicious corporations.

Character versus Culture: Virtues versus Values

All of this may be very well so far. Given that, as I have attempted to argue, MacIntyre's virtues-practice-institution schema is a helpful way of approaching business ethics, that it has considerable explanatory power by illuminating a fundamental tension that threatens to pervert the very purpose of a corporation, and that it is a schema that provides both a healthy critique and a way forward for capitalist business organisations and for individuals who work in them, it may be argued that the schema has done its job. What, it may be asked, is the particular value in exploring this further at the institutional level, and specifically what is the value of the concept of corporate character that is not already adequately covered by other ways of conceptualising business and business ethics? In particular, it may be asked why the concept of corporate culture—a much better known and accepted concept, and one that already incorporates ethics through the notion of values—cannot do what the concept of corporate character sets out to do. In other words, why a new term and is it, really, a new concept?[7]

The concept of corporate culture became widespread through the 1980s but was based on earlier work such as that of Pettigrew (1979). This led, for example, to considerations of how founders, leaders and managers in organisations could influence culture (Schein 1983, 1984) and also how culture within organisations was rooted in broader national, racial and religious cultures (Schein 1983; Hofstede et al. 1990). From an instrumental perspective the concept of culture was attractive because it held out the possibility not only of explaining why organisations act and react in certain

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ways but also of then managing the culture so that organisational ends were more likely to be met.

A well-cited definition of organisational culture is given by Schein (1992: 12): "A pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems." An alternative definition emphasises the importance of the degree to which assumptions are commonly held: "Shared values, shared beliefs, shared meaning, shared understanding and shared sense making are all different ways of describing culture" (Morgan 1997: 138). The cultural web, in which this "paradigm" of the organisation's culture is reinforced by stories, symbols, rituals and routines and is both embedded in and reinforced by the organisation's structure, power structure and control and reward systems (Johnson 1992: 30–31), is a common way of seeking to audit and to influence culture.

A further aspect of culture which will be important to us is whether organisations have a single unified culture or whether, particularly in large, complex or geographically widespread organisations, it is more realistic to consider sub-cultures or the differing cultures of subgroups (Schein 1992: 14). This also raises the issue of whether senior management should seek to manage organisational culture in order to create, so far as is possible, a unitary culture or whether it is more appropriate to accept but perhaps seek to blend existing sub-cultures (see, for example, Sinclair 1993). Martin (1992, 2002) argues that conceptualisations of culture which emphasise only the "integration perspective" (the "shared-ness" in the definitions above) in which there is organisation-wide consensus, consistency in its manifestations and where ambiguity is excluded, oversimplify (Martin 2002: 95). What is needed, according to Martin, is a three-perspective theory of culture that includes "differentiation" and "fragmentation" perspectives as well as the integration perspective. Differentiation allows for sub-cultures within which the integration perspective is maintained but which channels ambiguity outside of those sub-cultures. Fragmentation is based on a lack of consensus and acknowledges both inconsistency and ambiguity. From a managerial perspective, then, culture may be more difficult to manage or change than is often considered to be the case. The same issues will clearly arise in relation to corporate character.

Organisational culture, then, is a complex concept, but within it the issue of ethics or values is never very far from the surface. This is partly to do with the values of the individuals within the organisation, and particularly those of influential individuals, that may determine some of the "shared basic assumptions" that then potentially become institutionalised in such a way as to influence not only the behaviour of organisation members but also their own values. Sinclair, for example, summarises research that has "demonstrated that organisations produce a mindset amongst individual members . . . which encourages people to behave in ways that are not necessarily consistent with individual or pre-existing norms, but apparently induced by organisational membership." She also cites research in the area of corporate crime (Clinard 1983) which concluded that "corporate crime was determined by top managers who pushed

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subordinates so hard that illegal practices were tacitly necessary to survive" (Sinclair 1993: 64)—practices that, presumably, would have been "out of character" for the individuals involved. Van Maanen and Kunda (1989: 88) make a similar point: "In essence, we regard conscious managerial attempts to build, sustain, and elaborate culture in organizations as a relatively subtle yet powerful form of organizational control. . . . [I]t is powerful because it seemingly aims at a deeper level of employee compliance (i.e., emotional) than other forms of control."

The classic Milgram and Zimbardo experiments (see Hartman 1996: 146–49, but also discussed at length in Doris 2002) point to the social psychological effects of culture. These experiments in which, respectively, subjects assisted by administering (fake) electric shocks and a mock prisoner/guard scenario led to stereotypical action by both sets of participants, further indicate the power of cultures to affect desires and beliefs at a very deep level, as well as to affect behaviour. Phillips, similarly, points to concepts such as "groupthink" and "risky shift" as evidence that culture influences behaviour, though in his case he argues that these might provide instances of the "psychological impact of organisational life on individuals" such that personal carelessness might be explained or excused (Phillips 1995: 568).

It is clearly the case that, within organisations, individual values and behaviour are affected, either directly by influential individuals, or more indirectly by the incorporation and perhaps the distortion of individual values within the organisation's culture. From there it is a small step to the idea that "[c]orporate culture is important to business ethics because it is a vehicle for imparting and maintaining the moral principles and the values, good and bad, that animate life in the organization" (Hartman 1996: 150). Similarly, "[t]he moral development of a corporation is determined by the organization's culture and, in reciprocal fashion, helps define that culture. In essence, it is the organization's culture that undergoes moral development" (Reidenbach and Robin 1991: 273).

However, while this *internal* emphasis is clear, what is generally apparent in this literature is that culture and values are also often directed *externally* towards corporate success: "Values are the bedrock of any corporate culture. As the essence of a company's philosophy for *achieving success*, values provide a sense of direction for all employees and guidelines for their day-to-day behaviour" (Deal and Kennedy 1988: 21, emphasis added). Or again, "These [core value] slogan-like themes are only the most visible parts of a complex system that includes a whole range of beliefs about how the organization should *achieve success*" (Deal and Kennedy 1988: 24, emphasis added). Van Maanen and Kunda, in their study of emotional expression in organisations, similarly propose that "[o]rganizations (and segments within organizations) displaying pronounced concern for culture are precisely those organizations where member adherence to a set of feeling rules is considered by management crucial to the *success* of the enterprise" (1989: 56, emphasis added).

Christensen and Overdorf provide a related definition of these kind of values. They acknowledge that corporate values often carry an ethical connotation. They argue, however, for a broader meaning in which "an organization's values [are] the standards by which employees set priorities that enable them to judge whether an order is at-

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tractive or unattractive, whether a customer is more or less important, whether an idea for a new product is attractive or marginal, and so on" (2000: 69). They identify, in particular, two sets of values, "that tend to evolve in most companies in very predictable ways"—"the way the company judges acceptable gross margins" and "how big a business opportunity has to be before it can be interesting" (69). Again, the focus on external goods and success is clear.

In similar fashion, Collins and Porras in discussing "core ideology" (a combination of core values and purpose—Collins and Porras 1998: 73) argue that *any* ideology will do so long as the company "*has* a core ideology—likable or not—that gives guidance and inspiration to people *inside that company*" (68, emphases in original). Examples include: "Innovation; 'Thou shalt not kill a new product idea'" (3M); "Worldwide reliability of services" (American Express); "To 'eat, breathe and sleep the world of aeronautics'" (Boeing); "Being out front—such as biggest, best, most innovative, most profitable" (Citicorp), (68). However, there are also within these definitions of values concepts that do fit more naturally with the idea of internal moral values: "Absolute integrity" (3M); "Integrity and ethical business" (Boeing); "Honesty and integrity" (General Electric); "The company exists 'to alleviate pain and disease'" (Johnson & Johnson) (68–69).

The main point that emerges from this discussion, therefore, is that within the various notions of values/core values/core ideologies and the associated notion of corporate culture there is a conflation of two rather different concepts—and hence not a little confusion. In effect, and drawing again on MacIntyre's schema, the culture-values combination has had to bear the full weight of both internal and external goods, of both practices and institutions. Because of the "intimate" relationship between practices and institutions (they form, in MacIntyre's words, a "single causal order") and hence the similarly intimate relationship between internal and external goods, it is perhaps not at all surprising that, in the absence of any other way of articulating this divide, the culture-values combination has had to bear a double meaning. It has been pressed into service to cover both types of goods, and both aspects of corporations—and this has been to the disservice of both.

It is my contention, therefore, that separating out the two concepts, whereby the culture-values combination is seen as essentially institutionally oriented and thereby primarily a means to the end of external goods, and the character-virtues combination as essentially practice-oriented and thereby a means to the end of internal goods, helps to explicate what is actually going on inside the corporate form. But this will also mean, of course, that character and culture may very well be in tension and particularly so where, in any particular corporation, external goods become dominant. The requirement, therefore, of character not just to ward off threats from the corporation's own inordinate pursuit of external goods, but to encourage a supportive culture that will enable an appropriate *balance* of internal and external goods to be achieved, becomes evident.

It is, however, also important to locate those aspects of corporations that simply reflect the way things happen to be done—the "basic assumptions" of corporate life that derive from broader national, racial and religious cultures, things like "the constructed

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environment of the organization, its architecture, technology, office layout, manner of dress, visible or audible behavior patterns, and public documents such as charters, employee orientation materials, stories" (Schein 1984: 3). Many of these aspects of corporate life, where they are value-neutral (no one way of doing such things is morally better than any other way), would seem to continue to fit comfortably within the revised understanding of corporate culture that I have suggested.

Of course, such a separation between the culture-values and the character-virtues combinations is never likely to be entirely clear-cut—MacIntyre's schema, with the intimate association of practice and the institution, does not simply acknowledge this but, as noted above, even draws it to our attention. Cultural aspects, moreover, may well be emblematic of character and hence revealing of it. A corporation, for example, that has separate canteens for "management" and "workers" may betray a flawed character. Some cultural aspects may have apparently limited implications—a corporate culture where meetings typically start ten minutes late may, on the surface, be no better than one where meetings start on time, unless this becomes incorporated into a characteristic where basic respect for individuals is no longer the norm. But such a separation does help to make explicit what is otherwise not simply implicit but actually covert in Schein's classification of culture into three different levels—basic underlying assumptions, espoused values and artefacts (Schein 1992: 16–27).

Virtuous corporate character, then, (to repeat the definition given above, but with perhaps more force than before), as distinct from corporate culture (as redefined here), is the seat of the virtues necessary for a corporation to engage in practices with excellence, focusing on those internal goods thereby obtainable, while warding off threats from its own inordinate pursuit of external goods and from the corrupting power of other institutions with which it engages. And if, as I have argued, the concepts of character and of virtue can be applied at the level of the corporation, and since the virtues "are dispositions not only to act in particular ways, but also to feel in particular ways" so that to act virtuously is to do so "from inclination formed by the cultivation of the virtues," then clearly corporate character will have a fundamental role to play both in determining the behaviour of the corporation and in influencing the behaviour (and potentially even the character) of individuals within the corporation.[8] And the separation of character from culture allows us to concentrate on the issues that the concept of character forces us to consider: issues of virtue and vice and of character development within the corporate form.[9]

The Constitutive and Substantive Elements of Corporate Character

Although we now have a definition and certain features of the concept of corporate character (achieved partly by way of contrast with the concept of corporate culture) we do not, as yet, have a clearly formulated notion of what the concept might substantively entail. It is convenient to begin a further exploration of the way in which the concept of corporate character might help us to think about corporations and about the development of corporate virtue by considering first the very opposite of this—corporate and individual vice within corporations. To a limited extent this was mentioned above

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in a discussion of the way in which corporate values influence individuals' behaviour. However, Koehn's examples of misdemeanour in a corporate setting (Koehn 1998) enable a more wide-ranging discussion. At the same time, discussion of Koehn's cases will help in framing some further features of the virtuous corporation. In passing, this will also allow a demonstration of the way in which a MacIntyre-based modern virtue ethics enables a better understanding of these four cases than the limitations of the Aristotelian approach which Koehn recognises.[10]

Case 1: The Weak-Willed Manager

Koehn describes a situation in which an employee (the case is not managerial as the title implies) "discovers that her company is illegally dumping toxic chemicals into the community's water supply" (Koehn 1998: 501), but chooses not to blow the whistle. This appears to be a straightforward case of *akrasia*—weak will or incontinence (Porter 1994: 114—see above). In other words, she knows what is right but fails to do it. Why? One possible answer, and an Aristotelian one, is because of the way that she represents the problem to herself (her "mode of representation") by failing to think through the implications of the environmental effect on her and the community and by giving too much weight to her desire to retain her own employment. But, as Koehn points out, reason inevitably has a social dimension. So, set within the social dimension of the corporation in which she is employed, the employee may be influenced by a corporate premium on being a "team-player," or by the co-optation by the corporation of a personal virtue such as loyalty. While these may well be appropriate influences in some circumstances, it may be that "the wider corporate culture sanctions and supports attitudes that lead the employee to use one mode of representation rather than another" (504). This could be an example of a corporation that was in part vicious—believing that its good consisted mainly in the pursuit of external goods and using its employees as means to that end.

If we apply MacIntyre's virtues-practice-institution schema to this case, how might we explain it, and how might it help in framing the features of the virtuous corporation? Let us assume that the employee is, within the other practices in which she is involved (her family, art classes, lacrosse team and so forth), well on the way to the achievement of her true *telos* through the possession and exercise of the virtues thereby gaining the internal goods that such practices afford, and that she has sustained this over a period such that her character is relatively fixed. Let us also assume that she is aware (intuitively if not explicitly) that business is a practice and endeavours to view her work there as a craft through which not only is there "a good product, but the craftsperson is perfected through and in her or his activity" (MacIntyre 1994: 284). It would then, clearly, be "out of character" for her not to act when she discovers the illegal dumping of toxic chemicals. Now lack of courage might afflict her in this particular situation, but what would also undoubtedly influence her are both the corporation's culture and character. If the corporation is too focused on the achievement of external goods, and sees team-playing merely as an instrumental means of achieving profit, for example, and if this has become internalised in the corporate culture sufficiently to significantly influence employees, then it will necessarily create

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a tension in the employee's mind (a "conflict of character traits" [Solomon 2003: 56]) which may not easily be resolved. Without a strong and virtuous corporate character to counteract this, a character that would in itself challenge the prevailing culture, she might well choose to ignore the dumping of toxic chemicals.

Another part of MacIntyre's work further illuminates this. In his 1999 Annual Lecture to the Royal Institute of Philosophy (MacIntyre 1999), MacIntyre speaks of two moral systems, that of the "established social order with its assignment of roles and responsibilities" (within which we may include that of employee within a corporation) and by contrast "that developed within those milieus in which that assignment has been put to question," such milieus including "the everyday life of certain kinds of family and household, of certain kinds of workplace, of certain kinds of school and church, and of a variety of kinds of local community" (MacIntyre 1999: 318). It is exactly the tension that MacIntyre speaks of between these two moral systems that the employee in question may experience in a corporation with a weak or vicious character and a strong culture focused on external goods. The problem is partly one of "compartmentalisation" in which "each distinct sphere of social activity comes to have its own role structure governed by its own specific norms in relative independence of other such spheres. Within each sphere those norms dictate which kind of consideration are to be treated as relevant to decision-making and which are to be excluded" (322). MacIntyre cites the example of power company executives unable to consider a reduction in the overall levels of power consumption even though, as parents and concerned citizens in other spheres of activity, they might well regard this as desirable.

What, then, does this say about corporate character? Corporations clearly occupy a "distinct sphere of social activity" and the problem of compartmentalisation and hence insulation from other spheres of activity is perhaps particularly acute in their case. The virtuous corporation would, however, be aware of this compartmentalisation and would seek to make it easy for employees, for example, to raise questions from outside this sphere of activity. In the particular case in question this might mean having systems and processes that enabled employees to raise concerns about the environmental consequences of the corporation's actions without fear of reprisal. (We should also note in passing that this might well be prudential on the corporation's part since such a system might prevent an employee blowing the whistle if the issue had been misunderstood or might point to a particular activity that requires corporate action—such as removing the toxic element and disposing of it safely. But, as Koehn points out, the moral and the prudential are not rigidly separated by virtue ethics [Koehn 1998: 498].)

The corporation of virtuous character, then, will in general require *systems and processes* that ensure the corporation is not "compartmentalised" from other institutions in society but sees itself as one part of a larger whole. Equally, the corporation of virtuous character will need to possess and exercise the corporate virtues of temperance, to withstand the inherent tendency to focus on external goods, and justice in order to weigh its own advantage with that of the wider community. It is also, and most notably, the corporate virtue of temperance that will encourage a *supportive culture*.

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Case 2: The Virtuous, Truthtelling Company

The second case Koehn considers is that of Dow Corning. An apparently virtuous corporation, with codes of conduct, ethics seminars for employees worldwide and a high reputation, Dow Corning became involved in the manufacture and distribution of silicon breast implants. These became associated with a number of diseases, particularly connective tissue disease, but the management refused to withdraw the product. They cited scientific evidence and appeared courageous in defending their position—all good Aristotelian virtues. On the surface, therefore, Dow Corning appeared to be acting in character, and that character was a virtuous one. However, although the scientific evidence did not, in the end, find any significant causal link between implants and connective tissue disease (Angell 1996: 197), at the time that the FDA banned silicone breast implants in 1992 "there had been no systematic studies of the effects of breast implants" (Angell 1996: 21). Following the ban, "the manufacturers [including Dow Corning] steadfastly maintained that the implants were safe, despite the lack of scientific evidence in either direction" (23). Koehn, therefore, is surely right in her analysis that all was not well at Dow Corning, but only partly right in suggesting that this may have been due to the fact that the management's "judgement was both skewed and reinforced in its bias by a culture that could not hear women's voices, in part because that culture had contributed to silencing women by failing to promote any into positions of authority" (Koehn 1998: 506).

Koehn continues, "*We need to acknowledge the possibility of systemic biases and examine the ways in which existing power structures may prevent us from hearing from people who are adversely affected by our judgements.* To the extent virtue ethics downplays or ignores power structures and systemic biases, it indirectly fosters unethical behaviour" (Koehn 1998: 506, emphasis in original). It is, of course, instructive to note that while Aristotelian virtue ethics may not adequately handle such a situation,[11] a MacIntyre-based modern virtue ethics handles it without difficulty. Here is a situation in which the institution (the corporation) had failed, at least in this instance, to prevent the promotion of external goods over internal goods—Angell records that "what [Dow Corning's secret] documents did indicate was how little was known, how inadequate the studies had been and how relentlessly the company pursued its market goals" (1996: 60). In addition, Dow Corning had allowed existing power structures to dominate so preventing an important viewpoint from being heard. This is clearly a failure to encourage excellence in the practice. For, surely, part of being excellent in the practice of the application of chemically based products to human beings in general and women in particular, is to ensure that proper scientific evidence is produced *in advance* and then to ensure that the views of potential or actual customers are heard and acted upon, and that to do so is likely to require a reasonable representation of such people in managerial positions. The virtues-practice-institution schema, far from downplaying or ignoring power structures and systemic biases, draws our attention to their likelihood and encourages a solution through the exercise of the virtues both by those engaged in the practice and by those who are representative of the corporation. This, then, could be an example of a corporation that was in part incontinent—nor-

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mally aware of what its true good was but on occasion acting in a vicious manner, though not by character vicious.

From this case, then, further features of the internal focus of the notion of corporate character become evident. The corporation of virtuous character will encourage the pursuit of excellence in the practice at its core. To do so it will, as noted above, require the corporate virtue of temperance to ward off the inordinate pursuit of external goods and to encourage a supportive culture, together with the corporate virtue of prudence (practical wisdom) which might be particularly required in situations such as this where the scientific evidence is, in itself, unlikely to be unequivocal, and hence judgement is required. In addition, a *power-balanced structure* that prevents systemic biases is required to ensure that the views and desires of particular constituencies are not privileged over those of others. This requirement, of course, derives from the co-operative nature of the practice that is at the core of the corporation—see MacIntyre's definition of a practice given above.

Case 3: The Virtuous but Thoughtless Actor

Koehn's third example involves the dumping of aircraft fuel before landing. Pilots regularly performed this action over a period of many years, apparently without any thought for the environmental consequences, until one pilot finally thought to protest against the practice. Given that it would be difficult to attribute any viciousness on the part of the pilots, indeed much in their characters would suggest virtue, the problem seems to be located in simple thoughtlessness, something which Aristotelian virtue ethics fails to deal with adequately.[12]

However, a MacIntyre-based modern virtue ethics suggests at least part of an explanation that Koehn does not explore even within an Aristotelian framework. For the questions that need to be asked are, "Why did this become a common practice in the first place?" and, "Why, when concerns for the environment were becoming prominent, did the corporations concerned not take action but wait for the issue to be drawn to their attention by a pilot?" Both questions relocate the moral issue at the corporate level and ask, in effect, what it was in the corporate characters of the various corporations involved that allowed such an act to occur repeatedly. (Note that this is not to deny the moral culpability of the individuals as well [see Moore 1999], but to accept that there may be some mitigating circumstances.)

The problem, of course, is partly a type of "compartmentalisation" that we met in Case 1. Here the corporations defined acts not so much in economic terms (though there must have been some calculation of the cost of fuel dumping), but in terms of health and safety—it was clearly prudent to carry some surplus fuel to allow for unforeseen circumstances and it was safer to land with the plane lightened by dumping the excess once it was known that it would no longer be needed. That reasoning, however, failed to consider the other effects of such dumping—both the economic and the environmental—to a sufficient degree. While that partly answers the questions posed to the corporation, MacIntyre provides the other part of the answer when he makes the point that one of the requirements of the moral agent is "to question the

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hitherto unquestioned . . . taking the view that responsible deliberation requires that on occasion one puts established standards in question" (MacIntyre 1999: 313).

A similarity exists here between MacIntyre's philosophical perspective and that in organisational studies. Edmondson's work on team psychological safety, ("a sense of confidence that the team will not embarrass, reject, or punish someone for speaking up" (Edmondson 1999: 354), points to a lack of such safety contributing to "an unwillingness to question the goals of management" (375). In both this case and Case 1, then, a lack of team psychological safety may have been a contributory factor—and a corporate character that discouraged team psychological safety might provide an explanation.

A requirement of the virtuous corporation, as much as of the virtuous individual, then, is to enable the questioning of the hitherto unquestioned. In the particular case under consideration we could have an example of a corporation that is, in part, continent—one which generally does the right thing and yet the overall pattern of the corporation's life, including its responses as well as its actions, reveal that it does not truly possess the virtues. The corporation of virtuous character, then, will require further *systems and processes* that enable the questioning of the hitherto unquestioned and this will inevitably also require the corporate virtue of prudence in order to make right judgements when such questions are raised.

Case 4: The Good Bigot

Koehn's final case considers an apparently excellent manager (Speer) with all the virtues that one might wish for in the role—but whose job was Hitler's minister for armaments and war production. Again, Koehn wonders how Aristotelian virtue ethics could overlook the "larger forces responsible for making practical situations appear in a certain light in the first place" (Koehn 1998: 509), or, in other words, how virtue ethics could focus on the virtues Speer demonstrated in perfecting his talents in the role while at the same time ignoring the fact that Speer saw the Jews and other workers as expendable. (MacIntyre considers a related example in his 1999 lecture, but focuses on a Nazi whose role was to schedule trains and who did so irrespective of the cargo.)

Again, MacIntyre's virtues-practice-institution schema suggests an answer by focusing on the institution and its potential for corruption. In some circumstances the practice of producing armaments for war may be a just one, but among the first concerns for the institution are to consider both the purpose for which the institution exists and the manner in which it is intended to conduct its "business." Even if, on the first count, the institution's purpose was judged just, the manner in which it treated people was clearly unjust and so Speer was guilty not just of personal moral failure but of creating an organisation that in his case quite literally incorporated evil.[13] That there were wider social and political institutions that legitimised this activity points to the requirement of the virtuous organisation to resist the corrupting power of organisations with which it in turn relates. For, surely, here is an example of a truly vicious organisation in which, where the virtues were employed, they were employed ultimately in the service of vice.

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This case, then, indicates the requirement of a *just purpose* for the particular practice-institution combination. In other words, the practice-institution combination must reflect on its own *telos*, (just as much as the individuals who work within it should reflect on theirs), recognising that this is both partially known and partially unknown so that a narrative quest is entailed (see MacIntyre 1985: 218–19 and Moore 2005: 245–47). Such a reflection might have gone some way to preventing the kind of activity that Speer's Ministry engaged in, although broader social and political factors were also clearly influential in this case. In addition, therefore, the corporate virtue of fortitude will be particularly required in such circumstances, for it takes courage to stand up against influential external individuals and institutions that may themselves encourage far too great an emphasis on the achievement of external goods (goods of effectiveness)—as this case rather poignantly illustrates.

The Character of the Virtuous Corporation

Having discussed these cases, we are now in a position to draw together the threads of this discussion and to formulate a fuller description of the concept of a virtuous corporate character. In the first instance this is done by considering the general concept of corporate character without any reference to what a virtuous corporate character might look like.

Corporate character, then, provides an essential internal focus to the corporation and thereby offers a solution to the fundamental challenge that such institutions face—the challenge of sustaining the practice at its core by maintaining an appropriate balance between internal and external goods. The distinction between character (together with the virtues that underpin it and the associated focus on internal goods) and culture (and values and their associated focus on external goods) helps not only to explicate what is actually going on inside the corporate form, but also in resolving the tension that threatens to pervert the very purpose of the corporation. Following this distinction it is important to recognise that character grows and develops over time and becomes relatively fixed, so that even relatively major changes in culture (brought about, for example, by a change in structure) may have little effect on the character of the corporation. However, the effect of the environment on individuals' characters (discussed above) and the correlative effect of the environment on corporate character, combined with the significance of influential individuals within the corporation (see below) suggest that corporate character may be rather more malleable than that of individuals. The requirement to sustain character over time, through exercising the virtue of constancy, may be particularly challenging in the corporate context.

The separation of character from culture also forces consideration of whether character might be disaggregated into sub-characters particularly in large, complex or geographically dispersed corporations. While this is clearly the case with culture, the relative fixity and unitary form of character suggests that it needs to be regarded, and certainly developed, as a single conception. And in that context, we should note the importance of particular individuals, including those influential people in its

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recent past, upon whom the responsibility rests for the development of the character of the corporation.

What, then, might a virtuous corporate character look like? First, within the MacIntyre-based virtues-practice-institution schema the corporation needs to recognise that it is founded on and has as its most important function the sustenance of the practice. Second, the character of the virtuous corporation should encourage the pursuit of excellence in the practice. Third, the character of the virtuous corporation should be such as to focus on the external goods such as profit or reputation but only to the extent necessary for the sustenance and development of the practice. This would ensure an appropriate location of external goods (which, to repeat, are *goods*) in the whole scheme of things, and guard against the effects of the inherent tendency to avarice particularly in capitalist business organisations. Fourth, the character of the virtuous corporation should be such as to resist the corrupting power of organisations with which it in turn relates. Although this might, on first consideration, be thought of in terms of relatively immediate organisations such as competitors, suppliers or those that represent the financial markets, it is clear from the above discussion of Case 4 that this needs to be extended to include the whole range of business, political and social institutions with which the corporation may engage. Such institutions may provide a powerful and potentially corrupting context in which the corporation has to operate,[14] just as Speer's personal actions may be mitigated to a limited extent by the social and political institutions with which his own Ministry interacted.

There are, however, a number of other features of the virtuous corporate character that are required. These are the requirement of a *just purpose* for the particular practice-institution combination, the development of a *power-balanced structure* that will ensure that the views and desires of particular constituencies are not privileged over those of others, and the implementation of *systems and processes* that counter biases and enable the questioning of the hitherto unquestioned. In particular, these will allow the corporation not to see itself as "compartmentalised" from other institutions in society but as one part of a larger whole. While to some extent outside of its control, the encouragement of a *supportive culture* (as redefined here) will also be a feature of a virtuous corporate character.

Finally, of course, we need to address the corporate virtues that are necessary to enable the corporation to focus on the practice and the internal goods thereby obtainable. The cardinal virtues, as noted above, provide a good starting point. The virtuous corporation will require fortitude in order to resist the corrupting power of institutions with which it relates and to minimise the effects of the environment on its character where these might be damaging. It will also require temperance to withstand the inherent tendency to avarice that exists particularly within the capitalist corporate form, but potentially exists in all modes of institutionalisation of business, and to mitigate the temptation to use power to its own advantage. It will require justice in order to weigh its own advantage with that of the wider community and it may be the virtue of justice that helps in avoiding the compartmentalisation of business from other spheres of activity in society. Prudence (practical wisdom) will be required both in order to enable the exercise of the kind of commercial acumen that corporations

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require and to enable the questioning of the hitherto unquestioned that, as we have seen, is a necessary feature of the virtuous corporate form. Prudence is, of course, the intellectual virtue that completes and unifies the virtues in directing all the actions of the individual towards the true human good, and it would be reasonable to expect it to play the same part in relation to the corporation, directing it towards its good on its own narrative quest.

In addition to the cardinal virtues, the virtues of integrity and constancy, discussed above, will both be required. Integrity, with fortitude, will preserve the corporation from corrupting influences in the environment. Integrity, with justice, will help to guard against compartmentalisation. Integrity, with prudence, will enable the questioning of the hitherto unquestioned. Constancy will help the corporation to preserve its character over time, particularly as the environment, and the significant individuals within the corporation, change.

Whether these virtues, or virtue on its own, are sufficient is partly an empirical question. Keeley suggests that relying on virtue will never be "enough to overcome problems of complex organizations, such as abuse of power by bosses or cynical reactions by workers" (Keeley 2000: 248). His solution relies upon formal systems of corporate governance in order to build in the checks and balances that such complex organisations require. Keeley may well be right, but that in no way diminishes the primary need for the development of virtue within the corporate form.

And how might these features of a virtuous corporate character and the corporate virtues be developed? I have indicated in various places above that the responsibility for this lies with particular individuals within the corporation. In other words, the task of creating the virtuous corporation is essentially managerial. And it is the realisation of this in the managerial role within corporations that forms the final part of the jigsaw puzzle and, as noted above, is planned as the fourth paper in this work.

Before concluding, however, there is a particular criticism of this whole approach that requires a response. It is to that, that we now turn.

The Misappropriation of MacIntyre?

The criticism relates to the whole foundation of this work contained in an article by Beadle (2002). A full response might require an article in its own right, but the intention here is simply to justify the use of MacIntyre's virtues-practice-institution schema in its application to capitalist business organisations.

The essence of Beadle's critique, at least as it affects the foundations of my work, is as follows. First, he argues that MacIntyre's use of the notion of practice requires us to understand that "in practice-based communities power is subordinated to the excellence of the practices" such that "practice-based communities determine resource allocation to practices through a conscious and articulate process of collective decision-making" (Beadle 2002: 52), whereas "[i]n managerial orders co-operation is subordinated to power" (53). Business, according to Beadle, is in the second category. Second, and related to this point, "MacIntyre connects his appeal to a virtue ethics with his appeal to resistance against capitalism to argue that one cannot lead a virtu-

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ous practice-based life within an institutional order dominated by power and with the pursuit of goods of effectiveness as its justification" (54). Thus, Beadle argues, one has to acknowledge MacIntyre's approach to political economy rather than simply appropriating MacIntyre within a capitalist framework.

It is, of course, true that MacIntyre's definition prescribes cooperation as a fundamental aspect of a practice: a practice is "any coherent and complex socially established *cooperative* human activity" (MacIntyre 1985: 187, emphasis added). It is, of course, also true that the examples MacIntyre gives of practices incorporate cooperation—he indicates that "the range of practices is wide: arts, sciences, games, politics in the Aristotelian sense, the making and sustaining of family life, all fall under the concept" (188), and it is clear that each of these involve cooperative human activity.

However, we should note three things. First, as we have already seen, *all* practices are housed within institutions ("no practices can survive for any length of time unsustained by institutions" [MacIntyre 1985: 194]), that institutions are characteristically and necessarily concerned with external goods (goods of effectiveness) and that institutions "are structured in terms of power and status" such that "the practice is always vulnerable to the competitiveness of the institution" and that without the virtues practices "could not resist the corrupting power of institutions" (194). The point is that within *all* practice-institution arrangements (not just capitalist business organisations) there is, according to MacIntyre, an *intrinsic* tension between the practice and the institution and matters of cooperation, competition, power, status and wealth are *constantly* at issue. Hence, even on MacIntyre's terms, a "virtuous/vicious" distinction of practice-institution arrangements in which *either* power dominates *or* cooperation dominates, and one or the other does so not simply at this point but at all subsequent points in time, is simply unable to discriminate sufficiently; any practical situation is always more nuanced than that.

Second, and related to this, we should note that where the word "power" is used by MacIntyre it is nearly always with a negative connotation, as though power is inherently bad, or that it is bad because it inevitably leads to abuse of that power. But power and cooperation are not necessarily always in tension—power may, for example, be used in community to create cooperation by preserving the commons. Power may be used positively and those who exercise it may choose to limit or even exclude their own advantage. In addition, as Emerson has shown, "power resides implicitly in the other's dependency" (1962: 32) and there is always power and dependency on *both* sides of any relation. Hence, there are various "balancing operations" (35) through which any unbalanced power relation can move towards a more balanced position, including the powerful becoming more dependent upon the powerless. This suggests that power imbalances are always sources of tension resulting in dynamic processes that tend towards equilibrium, even though this may be over the long run in some cases. The link with the requirement to develop a power-balanced structure within corporations of virtuous character is apparent.

Third, we should note that productive activities (farming, fishing, architecture, construction) are cited by MacIntyre as legitimate examples of practices (MacIntyre 1994: 284). In other words, as what we might term "business" and MacIntyre would

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term "productive crafts," there is nothing *inherent* in the actual activity of business that prevents an appropriate ascription of the term "practice."

MacIntyre's contention, however, and as we have noted above, is that in the *capitalist* forms of business organisation that have emerged the institution has, in effect, "won" over the practice—its justification is the pursuit of the goods of effectiveness—such that "much modern industrial productive and service work is organised so as to exclude the features distinctive of a practice" and in such a way that this type of activity is "at once alien and antagonistic to practices" (MacIntyre 1994: 286). In other words, Beadle rightly summarises MacIntyre's position which is that modern economic orders do privilege the pursuit of external over internal goods, do not determine resource allocation to practices through a conscious and articulate process of collective decision-making, and thus do privilege power over cooperation to a degree which seems to preclude the ascription of the notion of a practice.

I believe that I have both accepted this position and argued successfully against it in my use of the virtues-practice-institution schema. But my main point of contention is that all business activities, irrespective of their form of institutionalisation, must contain the vestiges of a practice and the virtues to some degree, for if they did not—that is, if the institution had "won" so completely that the virtues had suffered "something near total effacement" (MacIntyre 1985: 196)—then the institution would have, in effect, "killed" itself from the inside by failing to sustain the practice on which it itself is founded. In other words, while in *capitalist* forms of business organisation the practice is potentially and continually under threat from the acquisitiveness and competitiveness of the corporation, with its inherent tendency to avarice, it still exists.

While this means that I am certainly borrowing, if not appropriating, MacIntyre and using his virtues-practice-institution schema from within a capitalist framework, it is a necessary implication that this creates a very severe critique of capitalism, but one which holds out the possibility of reformation rather than revolution.[15] Beadle's argument, then, while doubtless a true representation of MacIntyre's position, does not set out to critique that position and so fails to find within it the possibility that something positive can be made of it. It is my contention that, on the contrary, by means of a positive critique of MacIntyre's work such as I have offered, something very positive indeed can be made of it. In relation to capitalist business organisations, and perhaps especially so, the notion of corporate character is both appropriate and needed.

Notes

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1. The *telos*, or purpose or good, of human life is given the name *eudaimonia* by Aristotle. MacIntyre translates this as something like, "blessedness, happiness, prosperity. It is the state of being well and doing well, of a man's being well-favoured himself and in relation to the divine" (MacIntyre 1985: 148).

2. While pride was one of the traditional seven deadly sins, "proper pride" can be distinguished from "false pride"—see Lea and Webley (1997). The former is clearly a virtue.

3. It is quite likely that many corporations, and organisations in general, will house more than one practice. For simplicity, henceforth I assume a single practice within any particular institution.

4. There is an important question here as to whether or not I am introducing a new ontological category by ascribing the concept of character to corporations (or, indeed, to organisations in general), and if so whether this represents a category error. A means by which this might be considered would be via a discussion of corporate moral agency. Accepting that the attribution of personhood to corporations is problematic, French (1995) nonetheless argues that corporations can be considered as moral agents in their own right. If this were so, then it would not be difficult logically to extend the ascription of moral agency to include the notion of character and character development within the corporate form. Nor would this require the introduction of a new ontological category since the establishment of corporate moral agency would have already completed that task for us—a point that Velasquez, in his most recent article on this subject (2003: 538), acknowledges.

We can, however, legitimately sidestep this issue by drawing on the notion of metaphor. Goodpaster and Matthews (1982), for example, (an early article in the corporate moral agency debate which speaks of corporate moral agency by way of analogy or projection, but which does not seek to argue the ontological case), and Morgan (1997) support the notion that this is allowable. The point is well made by Morgan: "When we say 'the man is a lion,' we use the image of a lion to draw attention to the lionlike aspects of the man. The metaphor frames our understanding of the man in a distinctive yet partial way" (Morgan 1997: 4). Morgan, of course, uses this concept of metaphor throughout his book, in which he offers a series of metaphors for organisations—one of his metaphors, which links with the content of this paper, is to do with organisations as cultures. Martin makes the same point about culture as a metaphor: it is "a lens for examining organizational life" (2002: 4).

Drawing from this, all I wish to argue is that character, like culture, is another metaphor for organisations in general and corporations in particular. Like all metaphors it provides both a way of seeing and a way of *not* seeing (Morgan 1997: 5). My contention is simply that, when used in conjunction with MacIntyre's virtues-practice-institution schema as a fleshed-out concept distinct from organisational or corporate culture, it provides a particularly helpful way of seeing—a particularly helpful lens for examining corporate life.

5. It was clearly Aristotle's view that character was a fixed and permanent disposition—see, for example, NE 1100b11–17, NE 1105a32, NE 1152a30–33 (Aristotle 1955).

6. The debate between Solomon (2003) and Harman (2003), both of whom draw extensively on Doris (2002), which concerns the conception of character and the evidence from social psychology that suggests that "people . . . do not have broad and stable dispositions corresponding to the sorts of character and personality traits we normally suppose that people have" (Harman 2003: 92), is, of course, potentially damaging to the argument here. If character in its traditional understanding does not exist at the individual level, then it is hardly worth trying to establish the usefulness of the concept at the organisational or corporate level. Solomon (2003), however, provides a robust defence of character.

What is clear from this important debate is that the development of character, such that particular situations in which the individual finds him/herself are unlikely to have undue influence on behaviour, is by no means easy, and that circumstances can in some situations provide a better explanation for observed behaviour than the concept of character. It is also clear, however, that since character is developed through consistent practice, one act of dishonesty, for example, does not

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make a dishonest person. The concept of character survives its critique, therefore—albeit a more nuanced concept in which "situationism" is acknowledged but not privileged over a "globalist" understanding (Doris 2002: 22–26 and *passim*).

7. It may be of interest to note that I am by no means the first person to employ the term. Reidenbach and Robin (1991), for example, discuss a model of organisational moral development which has some resonances with Kohlberg's model of individual moral development (Kohlberg 1964). Having consistently used the terminology of "culture" throughout the article, however, the final sentence reads, "[f]urther study is sure to provide a clearer view of the process by which organizations change and develop their own moral *characters*" (284, emphasis added). This change of terminology is not explained and may well have been unintentional, but it is, nonetheless, echoed by other authors. One finds, for example, a reference to corporate character as far back as Selznick (1957). It is also occasionally used in a more casual way, for instance in a talk given by Sir Paul Judge (founder of the Judge Institute of Management Studies at Cambridge University), where he referred to a key responsibility of all Boards being "to decide and communicate their culture and *character*" (Judge 2003, emphasis added). Even Gareth Morgan, in a chapter on organisations as cultures, slips on one occasion into usage of the word: "We see that the aggressive *character* of an organization is sustained by an implicit military mentality" (Morgan 1997: 145, emphasis added).

Swanda (1990) uses the term in connection with the financial notion of goodwill: "The value of the firm's *moral character* (along with other attributes), however, can result in a market value of the firm that is greater than the firm's net assets" (752, emphasis added). He also, however, uses the term "moral climate" to mean much the same thing (752). Wilkins uses the term explicitly as an alternative to culture but only because "culture has been trivialised" (Wilkins 1989: xi), and his use of the term differs little in substance from the normal conception of culture. He does, however, point to one helpful aspect that is associated with character, in contradistinction to culture: that character is thought of in terms of development and growth rather than change (xii). Goffee and Jones's (1998) book, entitled "The Character of a Corporation," immediately reverts to culture in its subtitle: "How Your Company's Culture Can Make or Break Your Business." Goodpaster and Matthews (1982: 136), in a paper on corporate moral agency, comment that, "an organization reveals its *character* as surely as a person does" (emphasis added) and Klein (1988: 56) draws on their work to talk of corporations potentially having "something analogous to character, which can be evaluated as virtuous or vicious." None of these authors, however, seriously develops the concept of corporate character. Two authors who do explore the concept to some extent are Harrison (1972), whose paper is entitled "Understanding Your Organization's Character," and Deal and Kennedy (1988), who have a section of their book entitled "The Corporate Character," but even in these examples there is no real development of the concept of character. In all these examples character and culture seem, if anything, to be used interchangeably.

8. During the course of writing this article, the author witnessed, in an organisation with which he was involved, a particularly acute example of the character of the organisation changing as a result both of a significant change in the external environment and an equally significant change in influential people within the organisation. These changes led to a much greater focus on external goods to the detriment (as MacIntyre's schema indicates) of the practice. This seemed to be the cause of one particular middle manager being almost forced to work in a way that was so "out of character" that it was constantly surprising to see this individual able to retain some measure of integrity (used in the technical virtues sense employed here). A more understandable reaction might have been to resign or "go off on the sick." Perhaps this rather distressing experience serves to illustrate the potentially powerful effect on individuals of a rather vicious organisational character.

9. Such a separation may also help to explain the occurrence of dissonance between the culture and character of a corporation, when cultural claims to excellence are clearly not characteristic of the corporation. Many an employee, I suspect, fails to recognise their own corporation from the public relations, marketing and advertising material associated with it. Although the story

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of the couple who decided not to sell their house when they read the estate agent's description of it is surely apocryphal, it makes a similar point.

10. Koehn's article is not primarily about corporate character but about the problems of applying Aristotelian virtue ethics in a corporate setting. She discusses four cases and shows how, in each case, an Aristotelian approach fails to provide a fully coherent explanation of the issue the case raises. Her challenge at the end is that "virtue ethics needs to be revised to take these problems into account" (Koehn 1998: 510). My contention is that the application of MacIntyre's virtues-practice-institution schema, or "modern virtue ethics" as I have termed it, is such a revision.

11. Aristotelian virtue ethics may handle this better than Koehn allows, given Aristotle's awareness of the effect of the community (the *polis*) on the individual's character. Thus a corrupt *polis* may lead to precisely the problems of systemic biases and power structures that Koehn says we should guard against, but Aristotle would have been aware of this. Here the *polis* of interest is the organisation.

12. Here, again, Koehn may underestimate Aristotle who may well have considered thoughtlessness to be one of the varieties of *akrasia*—weak will.

13. This case also raises the intriguing possibility of a bad practice. Up to now, and within MacIntyre's schema, the practice has always been considered to be a "good"—a source of moral development for individuals, in which there is not only "a good product, but the craftsperson is perfected through and in her or his activity" (MacIntyre 1994: 284). However, MacIntyre himself acknowledges that there may be practices which are evil (MacIntyre 1985: 199–200), and we seem to have, in Speer's Ministry for armaments and war production, a practice that clearly produced a bad product. It might still have led, in some ways, to the moral development of individuals who worked there, but it must also have led to a much larger degree of moral depravity. Whether there can be, in general, the possibility of a bad practice housed by a good institution seems unlikely—could a virtuous institution really house a vicious practice? But a bad practice housed by a bad institution is surely exemplified by this case.

14. This, however, raises again the difficulty of any individual corporation standing out from the crowd and being able to withstand the penalties that might be applied—the most obvious and instantaneous being the effect of a mark-down in share price by the financial institutions. I suggested in my original paper (Moore 2002: 30) that such virtuous corporations would thrive and offered some limited empirical evidence in support. This was in contrast to Dobson's more pessimistic analysis that the "virtuous firm," if placed in a competitive market environment "would rapidly perish" (Dobson 1996: 227; Dobson 1997: 130). I think that I am now closer to Dobson's position, but with the important *caveat* that over time and recognising both the prudence (practical wisdom) required of managers and employees and the kinds of compromise that might be required, it may be possible to move towards an environment that is more conducive to the virtuous corporation than is currently the case. This may, of course, be optimistic but fits with my contention that it may be possible to borrow MacIntyre's virtues-practice-institution schema in such a way as to both create a severe critique of capitalism, and to hold out the possibility of reformation rather than revolution. The examples of Collins and Porras' visionary companies (Collins and Porras 1998, and see also the discussion in Moore 2005: 239–40) may give rise to some empirical support for my optimism.

15. It might be helpful to consider this in terms of Hendry's analysis of normative stakeholder theories, even though the terminology and conceptual framework of virtue ethics is very different from that of stakeholding. It seems clear that those who attempt to appropriate MacIntyre must, at the very least, recognise that, on one axis, they are working with "theories of the first kind" which ask questions such as: "How should an ideal just society structure economic or value-creating activity? What should it expect (and if appropriate legislate for) of the businesses that engage in this activity?" (Hendry 2001: 164), and, on the other axis, with theories that make demanding rather than intermediate or modest claims on stakeholder relationships. That is, they are working in the most extreme of Hendry's 3 x 3 matrix (167). But that MacIntyre can, I believe, be justifiably located on Hendry's framework *at all* suggests that it is possible to borrow at least a part of his work and use it in the constructive way suggested.

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