VIRTUES IN ORGANIZATIONS

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Abstract

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The aim of this thesis is to conceptualize about the need for, and nature and implications of, virtues in organizations. This thesis examines as to how to understand the current trends of ethicality within an organization, we need an understanding of virtue ethics. Also it argues as to how universal perspectives of ethics are not applicable to organizational contexts. It then argues as to how the notion of ethicality within organizations and the implementation of ethical practices imply that organizations have certain virtues. Following that, the thesis aims to develop what virtues are important within an organization. Finally, this thesis shows as to how such virtues, if implemented, will lead to certain dimensions of organizational success.

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Chapter 1 - The Need for Virtues in Business Organizations

Introduction- The Need for Ethics in Business

Business Ethics is now an important scope of inquiry and has been the cynosure of a lot of research and practice. As noted by Collier (1998), the business ethics "enterprise" is now well established both academically and in terms of corporate involvement. However, as he mentions, the significance of all this activity is lessened by the discernible "theory-practice" gap in the area, thus diminishing the relevance of academic research (Collier 1995). Hence judging by the lessened impact of academic research on ethicality in business, there definitely is a need for further research and re-conceptualizing about ethicality in business. As he notes, the primary need is thus to understand what is an ethical organization (Collier 1998).

Collier (1998) puts this entire thing to perspective by discussing the state of affairs of academic ethics. As he shows, the endeavor to understand what is ethical within an organization has been fraught with problems. For example, if business ethics were to work with and through the "collective" as object it requires an analogous theoretical understanding of "business"—in other words, it needs to be integrated with an articulated theory of organization as moral agent. As he notes, one of the significant efforts of business ethics researchers, over the years has been to apply universal principles of morality in order to understand what ethicality entails with respect to the business organization. This has been a problem, according to him, and there is a need for alternate considerations of ethicality within a business organization.

Universalism and Business Ethics

But why should the applications of universal moral principles to business situations be problematic? In order to understand that, let us first review the universal theories of ethics in order to see how, or even whether, we can apply universal principles in the social and cultural context of an organization.

Universal philosophical theories of ethics can be classified broadly into two major categories: the consequentialist and deontological schools (Smith 2002). The consequentialist school views that the rightness (or wrongness) of an action is determined by how much hedonistic consequential benefit (maximizing pleasure and minimizing pain) comes out of the action. The best known version of consequentialism, which is classical utilitarianism is concerned with hedonistic value. Proponents of the consequential school of thought were Bentham (1789) and Mill (1861).

On the other hand, the deontological school of ethics, argue that rightness or wrongness of an act is determined by certain rules in place. Probably the most well known of the philosophers within the deontological school of thought is Immanuel Kant who, in his Groundwork for the Metaphysics for Morals (1804), grounded these rules in the forms of the categorical imperatives where he says: “the categorical imperative would be one, which represented an action as objectively necessary in itself, without reference to another end.” Any such objectively necessary maxim (of action) would represent a rule to be followed. For example, it is objectively necessary to speak the truth and hence it would be incorrect to lie even to help somebody.

Both these theories represent the act-based universal theories of ethics. They represent the view that the rightness and wrongness of action can be understood from universal principles of either rule-based or consequence-based actions. Many recent philosophers have criticized this (e.g. Hursthouse, 1999; O'Neill, 1996; Taylor, 1985; Sandel, 1982; MacIntyre, 1985) as being too preoccupied with universal principles, which, they say, prescribes abstract thinking and uniform treatment (Hursthouse 1999) about individuals. The criticism is that such universal theories of ethics present an overtly idealized and rational view of the morality. Furthermore, these universal perspectives are criticized because they do not account for human emotions, moral impulses, moral responsibility and individual and contextual differences (Bauman 1993; MacIntyre, 1985)

Such criticisms are also defended by Collier (1998). Collier (1998) argues about the problems of applicability of universal moral principles to everyday situations, especially business contexts. For example, philosophers disagree on the rational justification of these rules. As argued by him and also by certain other scholars (e.g. Whetstone 2001) "applying" moral principles in particular social and institutional contexts philosophical ethics can offer little or no guidance. One of the significant problems, as he points out is that real-life business situations judgments have to be instantaneous, and it does not really help in such decision making if the decision maker were told that s/he needed to follow what a deontologist or utilitarian would do in those particular circumstances.

As has been argued by the aforementioned scholars, universal principles of morality, such as the deontological view or the utilitarian view are problematic because they fail to take into account the complexity of real-world situations and the moral ambivalence they pose. Even if there is a prior agreement of the nature of the rules, their application would be difficult to implement due to their inherent abstract nature. Ideas such as “duty,” or "welfare" cannot be interpreted as abstractions: they rely for their meaning on the social, cultural and historical context in which they are expressed. One might note that the

Kantian system is based on the notion of duty while the utilitarian system is based on welfare. Application of these concepts are always situation-dependent, which, unfortunately, the universal rules fail to take into account. In a practical world, morality is not absolute, it is a dialectic between the rules and the contexts, which mutually appropriate each other.[1] Universal moral rules fail to account for this dialectic. This implies that there is a distinct disconnect between the rules and the contexts in case of deontology and utilitarianism. This is to imply that the rules are not informed by the contexts, even though the rules can be applied in various contexts. The rules themselves have been based on absolutism.

One should note here that it can be argued that consequentialism is sensitive to context. However, the inclusion of contextual understanding to consequentialism presents two problems: one, the overarching rule of maximizing pleasure is independent of context and two, as consequences cannot be predicted apriori (Anscombe 1958), consequentialism cannot provide any rule oriented guidance in order to act in an ethical manner within any context.

As Collier (1998) notes, moral rules, in other words, are not timeless and a-historical. Moral theory is embedded in the practices and relationships of a given society, and morality is expressed in socially conditioned ways. As MacIntyre mentions, that they must be reinterpreted and reformulated according to changing social perceptions of what the "good" means for particular communities at particular times (MacIntyre 1984:506). The consequence is that act-centered rule-based ethical theory presents problems of application in every sphere of life, not merely in the organizational context. We need to

[1] While consequentialists may argue that consequentialism takes into account consequences, the overarching rule of maximizing pleasure and minimizing pain is independent of the context. We can obviously apply it to specific contexts, but one can always question why should evaluate a context always on the basis of maximizing overall pleasure.

deal with this issue, otherwise “the intractable difficulty of applying universalistic moral principles to complex organizational practice will in the end weaken the argument for the relevance of ethics to business” (Collier 1998).

To dwell on this issue further, let us consider further possible problems with the act-based universal theories of ethics, not necessarily tied to business ethics. The main criticism of universal principles is that such they are completely act based theories and recommend understanding every human action in the same way, irrespective of the differences amongst the doers of those actions. Consider a simple example. A rich person and a poor person give away the same amount of money in charity, out of their own will. If they both had the same “good will” to help for the cause of charity, universalism would argue that in both cases the ethical value of the action is the same. The deontological view of Kant opines that the only moral duty is one acted out of good will. Hence, as both had the good will, both were acting ethically. Again, suppose that the amount paid in charity goes to the same needy person. In that case, consequentialists would argue that since the amount of benefits (in terms of the amount of money or even the amount of pleasure experienced by the person receiving the money) is the same, both the rich and the poor person have contributed equally towards increasing the benefits and hence both have acted equally ethically. Both the deontological and the consequentialist view seem incorrect however; the poor person, who cannot really afford the charity, is inherently making a greater sacrifice and being more virtuous than the rich person.[2] This draws us to understand that ethical value can be judged not only from understanding the act but also from understanding the individual who commits the act.

[2] While deontology does account for moral worth based on the motivation of the act, in cases such as this example, since the motivation is same (as there is same good will), deontology will not be able to differentiate between the moral worth of two actions with the same good will.

Further, universal moral theories also suffer from another shortcoming which are due to their overtly rational and objective stance (Donaldson and Dunfee 1994). The moral theories would themselves fall short because in their search for objectivity, they are unable to factor in, as mentioned earlier, moral beliefs, convictions, and impulses. Thus, both the universal principles and their appliers (the agents) fall short when undergoing an ethical analysis of any situation.

So, if universal moral theories are not the answer to the social and cultural situations in our society, which inevitably are a part of business contexts, what is the remedy to understand ethics within a business context? This research argues that the answer lies in virtue ethics.

Virtue Ethics and Business

But what is virtue ethics? And why does virtue ethics seem to be the answer to such problems faced by universal moral theories of deontology and consequentialism? Virtue ethics theory denies that making moral decisions is a matter of calculation or principle-based duties (Hartman, 1998). Instead, virtue ethics looks to motivate aspirational values and seeks to answer the question, "what kind of organization should we be?" This is a perspective that is becoming increasingly popular in the business world (Chun 2005). Indeed, business ethics textbooks have started including the notion of virtue ethics (e.g., Beauchamp and Bowie, 2001).

Often, virtue ethics has been argued to be a complementary approach to utilitarian and deontological approaches (Solomon, 1999; Whetstone, 2001). However, this research tries to explain why ethics in business would benefit if it drew from virtue ethics.

What is virtue ethics

But, first of all what is virtue ethics? Virtue ethics draws from Aristotle's work. Aristotle's work focused on individual character understood in the context of the polis (i.e., community). The highest good for human beings—eudaimonia (living well)—came through cultivation of virtues or human excellence. Virtues are golden means between extremes; excess or deficiency in these tendencies represents vices. For instance, in response to danger, the extremes are cowardice and recklessness; the mean is courage. As Hursthouse (2007) observes, a virtue such as honesty or generosity is not just a tendency to do what is honest or generous, nor is it to be helpfully specified as a "desirable" or "morally valuable" character trait. It is, indeed a character trait — that is, a disposition which is well entrenched in its possessor. It is concerned with many different kinds of actions as well, with different emotions and emotional reactions, choices, values, desires, perceptions, attitudes, interests, expectations and sensibilities. To possess a virtue is to be a certain sort of person with a certain complex mindset (Hursthouse 2007). This is why it would be reckless to attribute a virtue on the basis of a single action, as there could be many actions corresponding to the same virtue)

Drawing from Hursthouse (2007), let us revisit the core aspects of virtue ethics. For example, if honesty is thought to be a virtue, an honest person cannot be identified simply as one who, for example, practices honest dealing, and does not cheat. If such actions are done merely because the agent thinks that honesty is the best policy, or because they fear being caught out, rather than through recognizing "To do otherwise would be dishonest" as the relevant reason, they are not the actions of an honest person. In other words, a person cannot be thought to be honest just because s/he pursues certain actions, rather the actions of individuals who have the virtue of honesty are correct.

The concept of *eudaimonia* is a key concept in Aristotle’s virtue ethics. It is understood as "happiness" or "flourishing" and occasionally as "well-being." According to 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, barring bad luck. So there is a link between *eudaimonia* and what confers virtue status on a character trait. Furthermore, according to perfectionism or "naturalism", the good life is the life characteristically lived by someone who is good *qua* human being, and the virtues enable their possessor to live such a life because the virtues just are those character traits that make their possessor good *qua* human being (an excellent specimen of her kind.)

It is to be noted that the virtue ethics of Aristotle emanate from the primary aim in life, which is to achieve complete goodness as an end in itself and not the means to some other end that might be good. In this respect, Aristotle argues that happiness is the complete form of good in the fact that it is self-sufficient. Aristotle also argues that happiness is activity of the soul in accordance with virtue. Aristotle discusses two types of virtues: virtues of thought and virtues of character and imparts reasonable importance on the latter. The virtue of character (henceforth referred to just virtue) arises out of habit. We are able to acquire virtues by nature and complete them through habit. Aristotle defines virtue as a state that does the best actions concerning pleasure or pain. Hence the main achievement of virtues is by action and there are three conditions in order to faithfully enact the virtues: the agent must decide on the virtues for themselves, he must know that he is being virtuous and he must do them from a firm and unchanging state.

Virtue is a mean of an action between extremes of vices: either excess or deficiency. Aristotle generally makes the point that virtue is about feelings and actions.

Aristotle argues that virtues and vices are in our power. This is because we can wish for the end and then deliberate and decide on actions that can promote it. The end of virtue is happiness and we can achieve the happiness by deliberating about the alternate actions to reaching happiness and can then act in that manner. Since the actions are decision based, they are voluntary and hence they are "up to us". We have the option of acting, in order to promote the end of happiness (or we could act otherwise, not to promote happiness, which would be a vice). Aristotle's argument is that vice is voluntary because doing (to promote the end) and not doing (not to promote the end) are both up to us.

One of the fundamental assumptions of virtue ethics is that human beings have reason and that they should function according to the reason and exercise it and this is necessary in order to achieve happiness. The whole point of virtue ethics is that we should control on what we can and achieve happiness in this regard. Actions can be voluntary or involuntary. Involuntary actions can be forced, in which case the action is because of an external agent and does not relate to the virtue of the agent. Sometimes an action is involuntary because the agent was ignorant of an important fact. Ignorance can be due to neglect or due to any other external influence not in one's control. If it is a case of neglect, then it must be said that the individual did have the choice to remedy the ignorance, hence it was a vice on his part not to do so.

Assuming the fact that an individual does have reason, it would be incorrect to assume that he did not will the action that he undertook, unless it was forced upon him by an external influence. In more cases than not, the individual has a freedom of choice and it is up to the individual to pursue that choice. This gives rise to basic responsibility of action, which summarizes the virtue ethics statement that it is "up to us". The person is responsible for his own state of character and this is why vices are voluntary. It is unreasonable for a person doing a vice not to wish doing it and so it becomes important that the wish, or the disposition to act is up to the person. The basic idea of virtue ethics is that an individual has to act in the same way as a virtuous agent does in a given condition. Hence, the ultimate aim of virtue ethics is to emulate the action of the virtue agent and so it is up the individual to act accordingly.

It is to be noted that virtue ethics does not relate to universal laws governing ethical actions. In case of deontology or utilitarianism, the individual can draw upon universal laws of ethical conduct. This does not allow individuals to assume moral responsibility for their deeds.[3] Virtue ethics, on the other hand, forces individuals to assume moral responsibility of their deeds. The ethical behavior in virtue ethics is dependent on the context, unlike the universal theories of deontology and utilitarianism. We all know that the world is immensely complex and that universal theories of ethics fall short of explaining the complex situations that we encounter. Another important aspect is the inherent boundedness of the rationality of the moral agent (as mentioned above). No matter how knowledgeable an agent is, the inherent bounded rationality of the moral agent will deter the agent from applying the universal theories perfectly and will result in an imperfect decision. On the other hand, if the agent were just concerned with acting in a virtuous way, he/she could follow his/her own acquired habitual virtues and follow them

[3] It is to be noted that both in utilitarianism and deontology, the agent is just an enactor of some universal ethical principles. In other words the agent is just acting on some prescribed guidance, and not really "developing" anything from within the agent. It's almost a mechanization of ethicality, almost like "Taylorization" of the ethical process, not individualization of the ethical process.

in order to act ethically. While a virtuous individual might still act erroneously, virtue theory, in the fact that is concentrates on “being” and not doing, hence, errors of actions are less of a problem than deontology or utilitarianism. Thus, in the varied world of complex phenomena, virtue ethics forms a more plausible way of acting in an ethical manner. Thus, on the whole, the idea of virtue ethics in moving the responsibility of action to the moral agent according to principles of virtue is defensible and appropriate, especially in a business world.

As Hursthouse (2007) again argues, since the nature of virtue can be open to multiple lenses for interpretation, we cannot actually categorize individuals as possessing a certain virtue just because they act in a certain way; rather we argue that individuals who possess a certain virtue would act in a certain way. The causal interpretation is reversed in here. It is important to note that possessing a virtue is a matter of degree, for most people who can be truly described as fairly virtuous, and certainly markedly better than those who can be truly described as dishonest.

As Aristotle argues, the concept of virtue is based on the concept of *phronesis* or practical wisdom. In order to understand Aristotle’s concept of phronesis we need to consider the distinction between virtuous morally mature adults and nice children or nice adolescents. Hursthouse 2007). Both the virtuous adult and the nice child have good intentions, but the child is much more prone to mess things up because s/he is ignorant of what he needs to know in order to do what he intends. So, for example, children and adolescents often harm those they intend to benefit either because they do not know how to set about securing the benefit or, more importantly, because their understanding of what is beneficial and harmful is limited and often mistaken. Such ignorance in small children is rarely, if ever culpable, and frequently not in adolescents, but it usually is in adults. In other words, in order to be a virtuous person, one should gain practical wisdom, which comes through experience (Hursthouse 2007)

It is to be noted that even many deontologists now stress the point that their action-guiding rules cannot, reliably, be applied correctly without practical wisdom, because correct application requires situational appreciation — the capacity to recognize, in any particular situation, those features of it that are morally salient. Individuals who are wise do not see things in the same way as the nice adolescents who, with their imperfect virtues, still tend to see the personally disadvantageous nature of a certain action as competing in importance with its honesty or benevolence or justice. In other words, virtue is a skill, the practice of which leads to eudaimonia, the worth of which those who are truly, practically wise, understand.

Virtue Ethics and Deontology

Notwithstanding the notion of virtue ethics being different from deontology, let us consider certain arguments which call for a closer look as to how virtue ethics may indeed be similar to deontology in some respects. Since deontological approach to ethics is most prevalent in organizations (through the assimilation and implementation of codes and practices), a successful comparison works in favor of the argument of virtue ethics to business situations. I note here that even though I have previously criticized universal approaches (and their application to business ethics) it is still a fact that such universal approaches, especially deontology, has been applied to business situations.

Two modern philosophers show how this can be achieved, at least to some extent. They are Hursthouse (1999) and O'Neill (1996). The basic idea of Hursthouse and O'Neil is to try and amalgamate virtue ethics and deontology. While Hursthouse explores how the virtue agent would act according to Kant's principles and integrates the idea of emotion with reason and duty, O'Neil is concerned with showing that the main criticism of universalism (deontology) by particularism (virtue ethics) is not really well founded. This is because of the fact that actions and reason have not been understood to a proper extent. She develops the idea of practical reason, which has action guidance. She introduces the idea of abstraction, (as opposed to idealism that had been criticized by the particularists). Abstraction is the ability to extract common points from a wide range of matters, while idealism is the intention to follow an "idealistic" goal which may not exist in practice. Thus, abstraction is realistic while idealism is not. Universalism, to O'Neil, is not an idealized set of assumptions that lead to disastrous consequences if followed; rather universal principles mean that they hold for all. Principles of action are universal and need to be the focus of practical reasoning. In many other ways (e.g. universal principles do not deny difference) O'Neil defends universalism. However, she mentions that the focus and scope of ethical concern should be incorporated so as to provide the context in which ethical reasoning takes place. So universalism is a necessary precondition for ethical actions, but it is not the sole basis.

Thus, both Hursthouse and O'Neil try to make virtue ethics and deontology compatible with each other, albeit in different ways. While Hursthouse is implicitly trying to maintain the universalism by showing how a virtuous agent acts in the same way as the Kantian agent, O'Neil says that the something needs to be added to universalism in order to cater to virtue ethics. Hursthouse shows the virtue ethics and deontology can be thought to converge if one followed her line of thought. O'Neil's view is that there is a middle path that can reconcile both. O'Neil argues that universalism is but the first step towards ethical judgment. The scope and focus of the judgment need to be addressed, through interrelated requirements, before any ethical reasoning can take place. It seems to me that she is trying to develop a two level moral structure: first universalism and within it particularism.

Here are my arguments as to why virtue ethics and deontology are not as far apart as one might seem.

One apparent difference between virtue ethics and deontology stem from the philosophical perspective of the assignment of moral value to an action. One might argue that virtue ethics is agent centered and so the moral value of an agent assumes more importance than an action. However, ultimately what assumes importance is the fact as to how the action takes place. In virtue ethics, the moral value of an action is increased if the agent does it out of pleasure and enjoys doing it (and a virtuous agent would always do so). The main point is that there's something less than fully virtuous about a person who acts as a virtuous person would, but dislikes doing so. So, a person that takes visits a friend for pleasure has more moral value than the person who does not visit the friend for pleasure, but out of duty. Kant, on the other hand, would impart more moral value to the action where one visited the friend for duty even without feeling the need to do so or not getting any pleasure out of it.

The other apparent main difference between virtue ethics and deontology is the fact that there is no place for emotion in the Kantian moral system. Every agent must act out of will and only out of good will. Only reason should guide good will. On the other hand, virtuous emotion is an important part in determining the moral worth of action.

However, the apparent differences between deontology and virtue ethics are not as far apart as it seems. For example, if we were to consider the case of a philanthropist who grieves that s/he is one (Hursthouse 1999), Aristotle would deem the grieving philanthropist as less virtuous that the willful one and Kant would impart the grieving philanthropist with a better moral value. However, one has to dig deeper into the understanding of this phenomenon in order to understand whether this conception is correct. Virtue ethics is not about the character of a person in a particular situation; a person should have generally good character. If this is kept in mind, then the grieving philanthropist may not act virtuously in sorrowing for the charity, but, on the other hand, shows a greater deal of virtue in doing something that does not come naturally to him. This ability to control one's desires and instincts can itself be counted as a virtue. In this respect, what can be argued is for higher order virtues than ordinary base ones. It might be the case that ordinary base virtues can conflict with higher order virtues and higher order virtues can be safeguarded in that respect.

The other important aspect of distinction between deontology and virtue ethics is with regards to the part that emotion plays in determining morality. According to Aristotle, virtues are concerned with actions and feelings. In Kantian terms, emotion has no value because it is unreliable and might vary from person to person. Hence there is no role for emotion in understanding morality. However, a closer scrutiny, as Hursthouse points out, reveals the fact that it is not emotions that are important, but emotions for the right occasion and for the right people. This can be likened to O'Neil's (1996) view of the focus and scope of actions. The determination of the right occasion and the right people demands that emotions are not arbitrary, but are grounded somewhat in reason. To echo

Hursthouse, the emotions should not be completely grounded in reason, however they should not be entirely devoid of reason either. If we accept the fact that reasons are in fact, a preliminary basis for emotions, then we subscribe to the fact that human beings are partly rational at least. This is in line with Kant's argument of the supremacy of reason. However, the point of discord that arises here is the fact that Kant's ethics requires complete rationality. But emotions can never be completely rational. Thus, while the apparent discord between emotions and reason is somewhat mitigated, it is not fully mitigated either. Human morality should be thought to be neither universally dependent on reason nor universally independent of reason. In this regard, I can put forward an argument based on O'Neil's writing: Universality can be the first level of morality, but emotion (scope and context dependent) can be the second level of morality. Similar to what has been argued by Donaldson and Dunfee (1994), we can have overarching universal norms from which local, situation-specific norms can be derived.

My view is that, at least with respect to the differences I mention here, the difference between deontology and virtue ethics can be removed or at least mitigated to a great extent. For example, emotions can be shown to be partially dependent upon reason and this gives rise to the idea that reason is an important element in virtue ethics, thus bringing together Kant and Aristotle.

To conclude the argument, virtue ethics and deontology compare quite favorably to one another as mentioned above. The concepts of virtue and duty are connected and they can be possibly amalgamated. This would bring virtue ethics closer to universalism and deontology closer to situations and contexts. This would help in achieving a universal code of morality. It would be universal not because it applied to all situations, but because it would universally accept the fact that all situations are different and need to be handled on a case by case basis (on the basis of some universal or generally accepted maxims). Virtue ethics and deontology together can then serve as a synergistic path to achieve morality under a common ethical paradigm, especially suitable for the complex world of business organizations.

But I already have noted that deontology, as mentioned before, is already a powerful source to understand and implement organizational ethicality, and virtue ethics, through its favorable comparison and possible amalgamation to deontology, is actually beneficial to understand organizational ethicality on two grounds:

1. It does not have the criticisms faced by deontology
2. Having some similar aspects to deontology, as shown in the arguments above, it shares the advantages of deontology.

However, in order to understand the applicability of virtues to organizations, there is one vital link that needs to be developed: the understanding of an organization as an entity and the nature of virtue that can be applicable to this organizational entity. This I do in the next chapter, following which (in the third and last chapter) I explore as to how these virtues can be implemented within an organization.

Chapter 2 - The Enumeration of Organizational Virtues

Why should virtues be applicable to organizations?

As Whetstone (2005) observes, over the years, many scholars in the area of business ethics have argued for and against this concept (e.g. Donaldson 1982, Goodpaster & Matthews 1982, Freeman 1984, Velazquez 2003). One might also observe, as pointed out by Whetstone (2005), that there is a dispute about whether a corporation has one purpose (Friedman 1970), several purposes (regarding various stakeholders, Freeman 1984), or none (Keeley 1988, Sollars 2002).

It should be noted that part of the argument of the applicability of virtues to organizations can draw support from various authors who have worked on this area (e.g. Velasquez 2003, Donaldson 1982) because they support the view that corporate organizations are morally responsible for their actions. Even though some researchers argue that properties of the corporate organization are not reducible to the properties of its members, and corporate organizations have properties that cannot be attributed to their members, as Whetstone (2005) states, the corporate organization is a still a real individual entity distinct from its members.

We can understand organizational virtues as ethical character traits that are learnt from an accumulative perception of a firm's behavior in everyday business life (Chismar, 2001). As Chun (2005) states, organizations should identify and develop distinctive virtues that are strategically useful in forming impressions and positioning themselves in the market. It is important to note that the virtuous organization is not made by a few virtuous individual heroes, but by the collective efforts made by each member, which in turn will shape a certain degree of shared and distinctive organizational virtuous characteristics.[4] Thus, this research focuses on the virtues of members of the organization itself, even though (as shown before) there is some support for the view that we can apply virtue concepts to the organization itself.

A natural concern is how such an organization's focus on virtue ethics will align with the economic interests and concerns of an organization. On that note, I can argue, based on that an organization's distinctive virtue characters, aligned with its ethical values, will allow it to differentiate itself from others to create competitive advantage (Chun 2005). In fact, on a broader scale, it has been argued that ethical standpoints inherently contribute to economic advantages. On this note, organizational virtues should not only be strategically useful, but should also be linked to internal and external member satisfaction. For example, 'pride' in the organization (Arijoon, 2000) is an exemplification of member satisfaction. And a member who prides himself is a source of intrinsic or extrinsic economic benefits.

However, as Whetstone (2005) mentions, is it reasonable to consider how a virtue ethics perspective might be beneficial in conceptualizing how a corporation, or any organization of people assembled for some collective aim, could act as a responsible moral entity? It has been argued previously that organizations influence the conduct of their members, including ethical aspects of their conduct (Trevino & Weaver 2003, Trevino 1986). The moral climate and context and social interactions not only communicate values and moral norms but also are at least part of the process forming the characters, internal virtues and

[4] This chapter is based on the following line of reasoning: 1) organizational virtues are those character traits of employees that benefit the organization; 2) even if we treat the corporate organization as a real individual entity distinct from its members, it is the members of the organization themselves that possess the virtues; 3) when we speak of an organization being virtuous, we are referring to the degree to which the members of the organization possess certain virtues.

vices, of people in the organizations (MacIntyre 1985, Etzioni 1996). The good society and the moral characters of the individuals in the society are interactive influences. Moreover, the organizational purpose, the teleos of an Aristotelian ethic, needs to be agreed upon by a consensus of the organization prior to implementing the structural policies that can move the organization toward coordinated achievement as institutional purpose is critical for focusing and differentiating an institution (Sternberg 2000).

As Whetstone (2005) argues, virtues can provide a linkage between the levels of the individual and his society, allowing one to fit within the social organization and excel in it. As Solomon (1992) argues, within the scope of an organization, virtues are essential moral attributes of individuals and also represent the excellence needed by the social organization. This is because virtues within organizations involve both personal and organizational issues (Paine 1994).

It should be noted that an organization of virtuous people is not enough to guarantee virtuous organizational decisions, and whereas organizational structures are of course necessary, the moral characters of managers, the people who make decisions, matter as well.

Dyck & Kleysen (2001), offer empirical evidence that Aristotle's virtues are amenable to operationalization, reliable observation and meaningful description of contemporary managerial behavior within the scope of an organization. They, in fact, concluded that virtue theory could potentially change our understanding of management. Moreover, it is also beneficial that empirical studies can unearth the scope and content of virtue ethics within an organization. Ethnographic field research in the USA (e.g. Whetstone 2005), has found that within a contemporary organization, virtue language is fluently used by its managers, that virtue language is important in defining individual managerial excellence within the organization's culture and that a normative set of managerial virtues can be identified and prioritized within a particular organizational context.

Having discussed eudaimonia, in the previous chapter, I can argue, based on the works of Foot (2001 c.f. Whetstone 2005) as to how eudaimonism is inherently connected to business situations. As both argue, eudaimonism is a system of ethics that bases moral obligation on the likelihood of actions producing happiness.[5] Thus, if we were to apply this concept to a business situation, it would involve 'questions about the meaning of work and the meaning of life that entail an analysis of why we are here, what we should be doing, and what makes us happy, and the meanings discovered by individuals and manufactured by the culture' (Ciulla 2000: 208).

Finally, the applicability of virtue ethics to organizations can be summarily found in the words of Paine (2003) who argues that "a society cannot survive, let alone thrive if it exempts its most influential and pervasive institutions from all notions of morality (p.97). As he continues to note, organizations are now expected to "conduct themselves as 'moral actors' – as responsible agents that carry out their business within a moral framework. As such, they are expected to adhere to basic ethical principles, exercise moral judgment in carrying out their affairs, accept responsibility for their deeds and misdeeds, be responsive to the needs and interests of others, and manage their own values and commitments." (Paine 2003: x)

[5] While this sounds similar to utilitarianism, this is actually not so. Aristotle's concept of eudaimonia as the ultimate happiness is different from utilitarianism. In virtue ethics, virtues and "acting out of virtues" are necessary conditions for producing happiness while virtues have no role in utilitarianism.

The list of organizational virtues

Having articulated the need for organizational virtues, I now turn our attention to what virtues can be applicable and appropriate in order to understand the nature of virtuous organizations. Guided by Chun's (2005) development of organizational virtues, the relevant virtues for an organization are presented and elaborated upon below.

Integrity

Integrity is one of the most frequently cited corporate ethical values. Integrity itself may not form one single directly observable virtue but a label for a composite of a number of concrete virtues, so it should not be treated as a virtue trait (Moberg, 1997). The most commonly associated words for Integrity are honesty and trust. For example, 'Integrity is defined as a reputation for trustfulness and honesty of the trusted person' (Butler and Cantrell, 1984). Carter (1996) envisions integrity as a three step process – 1) doing the hard work of discerning right from wrong; 2) acting on what one discerns; even at a personal cost; and 3) saying what one is doing and why.

The virtue of integrity has been frequently used as a synonym for ethics in previous work (e.g. Paine, 1994; Paine, 1997). Companies are now even using it in their advertising: a well known investment bank touts its "unshakable integrity" in ads.

Since it is an important virtue and character trait, integrity is judged over time. It involves coherent integration across a number of experiences and challenges, thus leading to practical wisdom, which is core to achieving eudemonia. Integrity is seen as contributing to success in business and has been called "an essential executive quality" (Zauder, 1992, c.f. Murphy 1999) and "an indispensable ingredient" for leadership (Horton, 1986, c.f. Murphy 1999). It encompasses thought, interpretation, action and articulation to others of a rationale for behavior. As Murphy (1998) notes, integrity is the most frequently mentioned virtue in an anthology of company ethics statements.

As Murphy (1999) notes, practicing integrity in business implies a “forthrightness” in dealing with customers and other stakeholders. For example, voluntarily withdrawing harmful products from markets (e.g. a safety recall), demonstrates the virtue of integrity. Furthermore, an emphasis on product and service quality and commitment to customers and other stakeholders (such as other business partners) rather than favoritism to one buyer also demonstrate the virtue of integrity.

Empathy/virtue of care

This virtue has a very simple meaning – being able to put yourself in the place of others. Some philosophers see this virtue as a manifestation of the Golden Rule – treat others as you would like to be treated (Murphy 1999). Another interpretation of the empathy virtue is that it can be equated with the ethic of caring (Gilligan 1982). The importance of this virtue is that it considers that in making ethical judgments, it is essential to consider the interests of others and that caring for others is an important ideal (Slote, 1998). The virtue of care is a virtue that ties closely to stakeholder analysis. In assessing the impact of actions on a stakeholder group, managers who are empathetic likely will understand the impact more fully than those who do not practice this virtue.

How does a virtue of care lead to eudaimonia? This is because it has been argued that empathy is a ‘psychological process’ (Eisengerg and Strayer, 1987, c.f. Chun 2005) that “takes place when two cognitive structures (self–others) come to share more common emotional elements” (Davis et al., 1996, c.f. Chun 2005). This is why a virtue of care seems to be a critical virtue to practice for long term business success. Both employees and consumers likely respond to caring managers or salespeople, thus I can argue that a practice of caring would lead to making others happy. Even within the context of economic success, it has been argued that teamwork, good personal relationships and communication built upon caring assist the firm in being more competitive (Liedtka, 1996). For organizations, caring will likely determine whether a relationship will develop over time. Such a long term happy relationship will lead to eudaimonia for not only the firm but also its customers.

Courage

Harris (2001) defined courage in the business world as “success in achieving the desired outcome and effort by the agent”. Solomon (1992) replaced courage by toughness in the context of business. According to Solomon (1992), toughness often means simply smart, i.e. knowing how things should be done and knowing one’s competitors and deals. It means neither being dissuaded by threats and temptations nor a willingness to step on other people or violate the other basic virtues of business such as compassion, trust or fairness by being stubborn, impossible, or mean-spirited.

As Mahoney (1998) states, courage is an important virtue in an organization, as the pressures to act unethically can be considerable, because organizations are essentially result oriented. In his words, moral courage, then, appears to be the capacity to do what one judges is ethically called for “in spite of one's instinctive reaction to the perceived dangers and difficulties in which such an action will result.” As Mahoney (1998) continues, “courage as composed of confidence, patience and perseverance in the handling of one's fears: confidence in the sense of one's belief or trust in the ability to succeed in doing the right thing, or a well-founded hope of succeeding; patience as the willingness to endure difficulties and setbacks in the pursuit of one's goal; and perseverance in the sense of steadily adhering to the ethical course of action and bringing it to completion.” In this way, this virtue is intricately linked to achieving eudemonia. This is because it is needed in order to achieve whatever is needed to achieve eudaimonia, especially if it is against the apparent course of action. Part of the virtue of courage therefore lies in not allowing oneself to be overwhelmed by one’s fears and having the “strength of mind” in order to do the correct action, which would lead to eudaimonia.

Warmth

Warmth is synonymous to friendliness. This is placed as a mean between surly and obsequious. According to Aristotle, this is closely related to the virtue of friendship which is itself based on three grounds: (i) mutual affection, (ii) usefulness, and (iii) pleasure and enjoyment of the other’s company.

Warmth can also be equated to agreeableness, which from a conceptual perspective, is concerned with individual differences in the motivation to maintain positive relations with others (e.g., Graziano & Eisenberg, 1997; Wiggins & Trapnell, 1997).

Warmth and agreeableness include efforts such as to minimize interpersonal conflict (Jensen-Campbell & Graziano, 2001), and to maintain intra-group cooperation (Graziano, Hair,& Finch, 1997). Agreeableness involves socially desirable qualities so individuals motivated to look good in the eyes of others may be especially likely to describe themselves as being agreeable (Graziano and Tobin 2002).

With respect to achieving eudaimonia, warmth and agreeableness can be understood to be a significant contributor. For instance, organizational warmth can be understood to be instrumental in maintaining proper relations with business partners. It can be argued that such relations with business partners would ensure more success, because in that case, a business firm would "win more friends", who would be very interested in supporting and promoting the success of the organization. Furthermore, warmth and agreeableness are themselves instrumental in achieving friendship. Obviously, due to the fact that friendship makes everybody happy, it helps in achieving eudaimonia for the stakeholders of the organization, and thus the organization itself.

Zeal

Innovation is the key to organizational success as it enables it to maintain a competitive advantage. This leads us to understand the basic idea of innovation within an organization. I define this as the zeal for organizational innovation. Previous research has always shown that in order to maintain competitive advantage, an organization should have a zeal for innovation. In other words, an organization should have a passion for change, and it is deemed a necessary ingredient. An organization should be exciting (Henderson and Mihas, 2000) and this comes from the spirit of innovation, entrenched in the virtue of organizational zeal.

But how is change useful to organizations and why should it be termed as a virtue? If we unearth the nature of this virtue, we find that its practice involves innovative sense-making (i.e. the process of cognitively understanding various phenomena). We find that innovative and successful organizations have provisions sense-making that allow them to deal much more effectively with the changing business situations and times and the high velocity business world. If this virtue were practiced (a necessary condition for the development of a virtue), organizations can pursue knowledge zealously in the business domain as skills, resources, and practices. They can zealously pursue new products and services, and capabilities and integrate this into their working knowledge for organizational innovation.

Additionally, I can argue, based on prior work in the area, that innovative sense-making system juxtaposes new and emerging business insights with established ones. Each scenario paves the way for absorption of new knowledge by juxtaposing it with existing understandings in that particular area. This leads to greater knowledge and thus greater practical wisdom to handle organizational challenges.

We thus see that the zeal for innovation is a primary instrument to achieve and implement practical wisdom in the business domain. This is because in the business domain, innovation can be counted as practical wisdom and zeal contributes to such innovation. Since the development of practical wisdom is a necessary precondition for eudaimonia, I can argue that zeal is an important virtue in order to achieve practical wisdom for the members of an organization.

Conscientiousness

This virtue can be equated to organizational sincerity in carrying out its day to day operations. An organizational image of being conscientious refers to a dependable and hardworking image (Barrick and Mount, 1991; c.f. Chun 2005). In a business context, it refers to an individual’s or firms’ ability to apply themselves to the task and to achieve goals. At some level, this can relate to trustworthiness of an organization, including the notion of dependability. As previous research has argued, trust results in human cooperation and thus it is inherently an ethical notion, especially in the context of achieving human happiness in terms of eudaimonia.

Conscientiousness is an important organizational virtue because successful organizations require that they become trustworthy institutions and build brand names. Furthermore, consumers learn to trust brand names that they may recognize as organizations that are dependable. As Fukuyama (1995) points out, organizations can save substantially on transaction costs because economic agents trust one another and thus can be more efficient than low trust situations where contracts and enforcement mechanisms are necessary. Existence and success of business organizations are very much dependent on the existence of trust between partners and also between an organization and its consumers and can lead to several positive outcomes – greater communication and feedback, better problem solving, and effective delegation (Gundlach and Murphy, 1993; Murphy et al., 1996; Murphy et al 1999). However, this can only be achieved if the organization is conscientious in pursuing its operations and activities. In fact, it has been argued that as businesses become more global, the role of trust (and thus inherently conscientiousness, which breeds trust) will become a more central virtue (Fritzsche, 1997, pp. 22–25).[6]

How does conscientiousness relate to eudaimonia? It can be argued that conscientiousness deals with eudaimonia because ultimately the success of an organization, on all fronts, whether economically and socially, is dependent on how well the organization does its job. If this were the case, then the ultimate happiness of the organization can be achieved only through a practice and achievement of conscientiousness. I can argue that an organization that is successful on all fronts moves toward eudaimonia and conscientiousness plays an important part in this regard.

[6] Conscientiousness can be termed as a virtue because it is a mean between being extremely casual and being extremely rigid and inflexible. A conscientious person does his/her duty well, but is not obsessed with it.

Conclusion

In this chapter, I tried to develop a list of organizational virtues, practice and achievement of which would lead to eudaimonia in organizations. However, it is important that we understand how to implement these virtues. This is what I take up in the next chapter, where we elaborate on how these virtues can be implemented.

Chapter 3 - The Use of Organizational Virtues

Introduction-How can we use organizational virtues

In this chapter, I present how the virtues discussed in the last chapter could be useful for developing certain characteristics of successful organizations. In order to develop these characteristics for organizations, I use the framework provided by Marcic (1997). In this book, "Managing with the Wisdom of Love," Dorothy Marcic (1997) presents her theoretical framework for a successful organization. According to Marcic, the ideas of spirituality and love, if successfully woven into the culture of an organization, can produce a company that will truly nurture a positive environment for its employees, its customers, and the environment as a whole. She argues that spirituality is a major component of a successful working environment; however it is just one component. There are also four other major components of a successful working environment which she terms as her five dimensions of work. Taken together, she thus refers to the five dimensions of successful organizations- *Physical, Intellectual, Emotional, Volitional, and Spiritual*. In this chapter, I try to understand as to how each of these dimensions can be achieved using organizational virtues.

Physical

This characteristic of an organization deals with the physical life issues such as safety, comfort and adequate pay. Numerous aspects of physical life issues have been discussed in prior research. These include personal and job inputs, and monetary and non-monetary outcomes (e.g. Heneman and Schwab 1985). A large part of physical issues are governed by the concept of equity theory. Current ideas of physical issues such as pay satisfaction continue to have their basis in concepts of equity theory (Adams, 1965). Based on equity theory we can emphasize that physical issues such as safety, comfort and adequate pay are essentially governed by individual's perception of equality across these issues within an organization. These feelings result from perceptual and comparative processes.

As the theory suggests, an employee formulates a ratio of outcomes (whether objective or perceptual) to inputs. This ratio is then compared to the outcome/input ratio of some referent source. If the ratios correspond, equity and satisfaction result. If an employee's equity is perceived to be less than another's, feelings of inequitableness may happen. For example if an employee perceives that his/her ratio of work life comfort to pay is unfavorable as compared to others, then there would be a sense of inequity. Based on Lawler (1971) we can argue that that physical issues of satisfaction or dissatisfaction are functions of the discrepancy between the equity one feels one should receive and the equity one actually receives.

The importance of these physical issues lie in the consequences they have on employees within an organization. The consequences of dissatisfaction with physical issues related to the quality of work life are varied- they result in unwanted employee behaviors such as turnover, absenteeism, willingness to strike, and lowered job performance (Heneman, 1985). For example, Weiner (1980) assessed the pay satisfaction of blue- and white-collar employees in a public sector organization. Pay satisfaction was found to be significantly predictive of both absenteeism and turnover. Motowidlo (1983) used pay satisfaction to predict turnover intentions and actual turnover among sales representatives. He concluded that pay has an impact on turnover only through its effects on pay satisfaction which, in turn, impacts turnover only through its effects on turnover intentions.

How can this important organizational dimension be implemented by the organizational virtues that have been discussed before? We find that there are two kinds of virtues that there are of immediate relevance to this dimension-integrity and courage.

Integrity has often been defined as loyalty, in action, to rational principles (general truths) and values (Peikoff, 1991: 259). As Becker (1998) notes, "integrity is the principle of being principled, practicing what one preaches regardless of emotional or social pressure, and not allowing any irrational consideration to overwhelm one's rational convictions." As he mentions, it is not a matter of words alone; it requires acting in accordance with one's (rational) values. A person with integrity, although unwilling to change his or her values due to irrelevant factors (e.g., social pressure), must be willing to change as his or her knowledge increases (Becker 1998). In fact, As Peikoff (1991) , notes "it is a breach of integrity to know that one is right and then proceed (usually with the help of some rationalization) to defy the right in practice" (p. 260). Also, as Becker (1998) notes, integrity involves acting in accordance not with any value system but with a morally justifiable one. As Peikoff asserts, integrity "does not mean loyalty to arbitrary notions, however strongly one feels they are true.... Integrity means loyalty to one's knowledge, to the conclusions one can prove logically" (1991: 261).

The importance of integrity, as especially Becker notes, is in the fact that it promotes the long-term survival and well-being of individuals as rational beings. Examples of valid integrity considerations, as judged by Becker, are (1) I value (reason, purpose, and selfesteem); (2) I am (rational, honest, independent, just, productive, and proud); (3) my values, goals, and behavior are congruent; and (4) I am willing to do whatever is necessary to live according to my most cherished values.

In such considerations of integrity, it is evident that these lead to a greater understanding of physical goals and satisfaction. An organization that promotes integrity has its members believe in a specific system and value and instills in them the urge to work toward those values. In other words, the virtue of integrity not only sets up certain goals, but also enables greater practice toward achieving those goals. It should be noted that in case of a practice of integrity, individuals who cherish the physical values of an organization would always do whatever is necessary in order to live according to their most cherished values. They may also change themselves in this process. In this case it would be important to understand that the nature of integrity is inherently related to such values of physical issues of an organization.

Courage is also related to the achievement of physical values. While it may appear strange to enquire whether we can speak of a company being morally brave or courageous, and yet it is possible to make some useful sense of the idea in several respects. For instance, one aspect of courage is the capacity to respond to emergencies or sudden crises and to cope with the sudden rush of feelings and fears which these can engender (Mahoney 1998). This would automatically increase the quality of work life and such other physical issues. For individuals the very acquiring of the habit of courage means one is already predisposed to handle such sudden instinctive and unforeseen reactions with some measure of practice, skill and preparedness, features which will lead automatically toward an increase in the quality of work life.

Intellectual

The intellectual dimension of an organization implies the collective intelligence of employees and their drive for education (Marcic 1997). This dimension of organizations is related to organizational intelligence. Organizational intelligence can be viewed in a more general way as including any problem identification activity (Newell and Simon 1972). Since decision making process inherently involves problem identification (Simon 1977), all organizational decision making involves some level of organizational intelligence. Organizational intelligence thus can also be thought of as the output or product of an organization's efforts to acquire, process, and interpret information external to the organization and is an input to the organization's decision makers (Daft and Weick 1984).

Organizational intelligence, the intellectual dimension of the organization, can be strongly tied to the virtue of zeal. This is because the virtue of zeal enables organizations in their quest for development of organizational intelligence. It can be argued that an organization with a zeal, and having employees who pursue that zeal, is keen on innovation. Unless we have zeal, we cannot achieve innovation.

The concept of intelligence also brings us to the concept of creativity. Creativity is based upon novel and useful ideas, regardless of the type of idea, the reasons behind its production, or the starting point of the process. This occurs when individuals, *driven by* internal motivators, actively search for problems to solve. For example, Oldham and Cummings (1996) use contributions to a suggestion scheme as one of their dependent variables of creativity at work.

The abovementioned arguments show that an organizational success and innovation is inherently linked to creativity. And this is exactly where the concept of zeal becomes important. Unless there is a zeal within the organization and its employees, we cannot have creativity, nor can we pursue any intellectual directions. [7]

Emotional

This emotional dimension of an organization deals with the interpersonal work environment including how organizational team members get along and their interaction as a team. At the organizational level, emotional capability refers to an organization's ability to acknowledge, recognize, monitor, discriminate, and attend to its members' emotions, and it is manifested in the organization's norms and routines related to feeling (Schein, 1992). These routines reflect organizational behaviors that either express or evoke certain specific emotional states.

We argue that the emotional capability of an organization can be implemented through both the virtues of empathy and warmth. Why is this? This is because, often times, organizational emotion can be understood as to how it handles a necessary evil.[8] From an Aristotelian perspective, a necessary evil may enhance or impair human capabilities essential to "truly human functioning" (Nussbaum, 2000: 74). Philosophical conceptions of these fundamental capabilities (Nussbaum, 1988) overlap with research on social psychology with regards to achievement of eudaimonia (Ryff and Keyes, 1995). They suggest that when a necessary evil impairs victims' capabilities, it affects their ability to fulfill essential psychological needs for autonomy, competence, and relatedness (Ryan and Deci, 2000). This impact would become manifest in measures of eudaimonic well-being (Ryff and Keyes, 1995).

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[7] Innovation and creativity, are inherently linked to each other. For any innovation, a creative effort is necessary, which is nothing but the practice of the virtue of zeal.

[8] Necessary evil is a concept that refers to an action that needs to be done even though it may be ethically incorrect. For example, in times of organizational financial crisis, individuals may be laid off in order to enable cost cutting which would sustain the organization

In cases of such necessary evil, the virtues of warmth (essentially friendliness) and empathy (ability to put oneself in another's place) become paramount. Together they contribute to the moral objectivity while understanding and dealing with a necessary evil. As Batson (1998) argues, empathy subsumes sympathy and it is closely identified with the sorrow and concern that one feels toward another based on the apprehension or comprehension of another's emotional state or condition (Eisenberg, 2000; Eisenberg et al., 2002).

The virtues of empathy and warmth also become essential to develop this emotional perspective because organizations are often cauldrons of change. Many of these changes are radical, which can evoke strong emotions, where the virtues of empathy and warmth become essential to produce an emotional environment. Why is radical change likely to arouse strong emotional responses? Radical change refers to a fundamental, qualitative change in the firm's philosophy or core beliefs (Fiol and O'Connor 2002), which may also affect the pattern of strategic relationships outside the firm. Core identity has been defined as the central, enduring, and distinctive characteristics of the organization that a large number of members feel proud of and have identified with personally (Dutton and Dukerich, 1991). A radical change causes not only a major and pervasive redistribution of resources and power, which is already highly upsetting in itself, but, by definition, demands a paradigm shift that challenges members' most basic assumptions about the nature of the organization (Bartunek, 1984; Reger et al., 1994).

As Huy (1999) states, organization members have "emotionally invested" in these nonnegotiable assumptions that shape their cognitive structures for sense-making and meaning giving. Challenging this source of cognitive and emotional stability implies attacking the core identity that these members have identified with and, thus, could trigger strong emotional reactions, such as anxiety (Schein, 1992). Advocates of personal construct theory (Kelly, 1955) predict a similar emotional response to radical change. Such opposing concepts, such as those brought about by radical change, are likely to trigger feelings of anger, threat, or fear.

However if such radical change is accompanied by empathy and warmth, then such opposing emotions can be curtailed. This is because, in this case, disgruntled employees can be pacified, both before and after the event (evoking strong reactions) with the result that the emotional damage may be minimized.

In fact, as noted by Boyatzis et al (2002), empathy or warmth can be considered to be a core managerial, and thus an organizational competency. In other words, we can consider empathy or warmth to be a key necessity within an organization and its members. For organizations which foster a key sense of sympathy and warmth, the receivers on the wrong end of such radical changes may feel that they are not as "hard done by" as compared to organizations with an utterly profit making and economic mindset. In other words, such virtues produce a much more soothing effect on individuals who feel that their work life comfort has been taken away from them. In this perspective, they may be readier to side with the organization through its changes. Ultimately, an organization that cultivates these virtues is perceived as a caring organization, and individuals can emotionally associate with such an image of care.

Volitional

The volitional dimension of an organization reflects the desire or will to change for the better (Marcic 1997). The word volition suggests an aspiration and intention. The volition has to be collective to qualify as an aspect of strategy. Such volitions can be very abstract (such as a mission statement or core competencies) or relatively concrete (such as a defined scope of the business or performance measures).

Volition is similar to the concept of receptivity. At the individual level, receptivity denotes a person's willingness to consider change. Analogously, at the organizational level, receptivity refers to organization members' willingness to consider—individually and collectively—proposed changes and to recognize the legitimacy of such proposals. As noted by prior research, at any fixed point in time, receptivity denotes an interpretive, attitudinal state (both cognitive and emotional) to accept the need for the proposed change. Individuals seek to develop a meaningful framework to understand the nature of the proposed change and to influence each other toward a preferred redefinition of the organizational reality (Gioia and Chittipeddi, 1991). A proposal for radical change (a fundamental change as noted before) often triggers strong emotional responses, which affect how the change is cognitively construed, as well as the nature of ensuing actions. Receptivity to change can be characterized by varying gradations of willingness to accept the proposed change, from resigned, passive acceptance to enthusiastic endorsement. Within the context of receptivity, it can be argued that the primary virtue needed for receptivity, and thus increasing volition, is zeal.

Zeal, as a virtue is frequently associated with being sociable, assertive, and active (Barrick and Mount, 1991). If we analyze zeal as a virtue, at an organizational level, we find that this is the key characteristic that helps in organizational change. However, unless the change is volitional, there would be problems as the change would be resisted. In other words, individuals within an organization, who actually pursue and practice the virtue of zeal, not only pursue collective intelligence in the form of organizational learning, but also appreciate the fact that they do so. This is synonymous to volition, especially in the face of change within organzations.

The aspect of zeal is important to generate volition because, within an organizational context, change is what is always present. Hence, in order to develop volition at an organizational level, we need to consider volition toward change. And this is where zeal becomes very important.

Spiritual

The spiritual dimension of an organization reflects moral issues such as justice and respect, and working toward empathy. In past research, scholars often attached the labels of "spirit" or "spirituality" to existing organizational development concepts and their conceptualizations of spirituality addressed experiences that transcended everyday rationality. In their writings, spirituality could be equated with emotionality, or expressed in terms of "team spirit" or "inspired action." "Organizational transformation" advocates Dehler and Welsh (1994) emphasize argue that spirituality is a subset of emotion: "in organizations, spirituality represents a specific form of work feeling that energizes action" (p. 19). Goodpaster (1994) understands spirituality at work in terms of business ethics and a balanced worklife. Spirituality also may be found in an organization's character, as argued by Lee (1991). Lee (1991) finds spirituality in the character of an organization and explains that an organization with a "healthy spirit" exhibits responsibility, a sense of purpose, proactiveness, respect for difference, and openness to change.

As Burack (1999) argues,

- Spiritual growth and advancement of the human experience involve mental growth and problem solving and individual learning will often be the main vehicles of individual development.
- Spiritual growth reflects the gratification of individual needs especially ``belonging" and those of a higher order such as a sense of achievement. The individual's context for these is broad encompassing work-family connections and work-place settings.
- Spirituality in the workplace is communicated and reinforced through the institution's leaders, organizational culture, policies and work design among other factors. Sensitivity to and interest in the person (employee) must be common to all approaches.

If we take a look at these three perspectives of spirituality, we can argue that the virtue of conscientiousness allows an organization to achieve this organizational characteristic. At some level, conscientiousness, implies sincerity. Sincerity is key to achievement of spirituality, because, spiritual development, at any level implies dedication and devotion. Hence, we can say that an organization, that has sincere employees can implement organizational spirituality.

Conscientiousness can also be used to achieve organizational spirituality because organizational spirituality implies organizational justice, which can be achieved through conscientiousness or sincerity. Employees’ perceptions of organizational justice are individuals’ evaluation of whether their organization treats its members fairly or unfairly. These perceptions have both a cognitive and an affective component (e.g., Folger and

Cropanzano 1998). And organizational justice or fairness perceptions can influence a variety of workplace attitudes and behaviors[9]. In order to develop fairness, organizational sincerity is required. An organization that professes to be sincere, has a culture where employees sincerely work for the betterment of themselves, others and the whole organization. They are driven not by self interest but by a sincere concern for others and in their effort to provide justice to other organizational fellow employees. It should be noted that justice cannot survive without sincerity. For justice to prosper, an organization should have sincere individuals who value goals of betterment of organizational members.

To sum the arguments, if one were sincere or conscientious, one would be able to work toward and achieve justice (Burack 1999). And since justice is an important concept within spirituality, sincerity and conscientiousness can be very much practiced to develop spirituality. An organization cannot be fair and just without an implementation of sincerity which will entail looking into each and every employee's concerns and interests. This sincerity can be thought to be the conscientiousness that leads to the spiritual development of the organization, which encompasses the issue of just. To put it shortly, if we are conscientious, we are just and fair. And, if we are just and fair, we gain in spirituality.

Conclusion

To conclude, it can be seen that certain organizational virtues certainly can lead to organizational success. I argue that considerations of such virtues are important and should be developed, customized, and practiced within an organization. If this is done,

[9] Perceptions of fair treatment may also be related to the dimension of physical success of an organization, in addition to the spiritual dimension. In general, as we experience in real life, spiritual and physical issues may often be interconnected. It is also worthwhile to note that a single virtue, e.g. conscientiousness, may affect more than one dimension of organizational success. However, in this research I have focused on the "greatest fit" between the virtues and dimensions. At some level, all of the virtues may relate to all the dimensions in some way or the other and there is also definitely some interconnection between the dimensions themselves.

then we shall see more of ethical yet successful organizations, consisting of ethical or virtuous individuals, and which will ethically the greater society as a whole.

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