TALKING VIRTUE: PROFESSIONALISM IN BUSINESS AND VIRTUE ETHICS

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Abstract

In this paper, the authors assert that valuable new perspectives on business practice may be gained by placing business in a professional ethics context. This paper first considers the arguments for viewing business as a profession and, if it may be so regarded, for whether professional conduct in business should be evaluated by reference to generally accepted standards or whether specific role-based criteria should be used. The usefulness in professional contexts such as business of "talking virtue" with its emphasis on telos and character, as opposed to "talking rules" is examined. It is argued that business as a human practice is properly directed towards the goals of empowerment and transformation of people. A good professional role in business should therefore be defined by reference to virtues which contribute to those goals and therefore to human flourishing. The authors explore what would count as business virtues if such an approach is adopted. They examine some advantages and disadvantages of "talking virtue", concluding that virtue ethics greatly enriches the professional ethics conversation with reference to business.

Introduction

The purpose of this paper is to examine the relationship between professional ethics and virtue ethics within a business context. If business is not a profession or does not consist of professionals then a core assumption of this paper becomes problematic. Consequently, the authors address this issue immediately in the introductory section. The introduction concludes with two reasons why it is timely to consider how virtue ethics might contribute to business. This paper then goes on to argue that traditional rule-based approaches to professional ethics should be substituted by a role morality perspective modified by Aristotelian virtue ethics.

According to traditional approaches, business practitioners would not be classified as professionals because they fail to meet a set of criteria required for that status. For example, Koehn (Pritchard, 1997) defined professional status in terms of the "desires" or wants of clients. Essential elements of this relationship are the professional's desire to do good for the client and to tailor the "good" to the particular needs of the client and the public at large. Fullinwider (1996) asserts that, apart from "performance for public good" (Fullinwider, 1996: p. 73), two further dimensions characterize professionals: firstly, special knowledge and training and secondly, that other people are rendered especially vulnerable or dependent in their relationship to the practice of the professional.

Pritchard (1997) claimed that business is an activity that has no defining interest encompassing the good of others – no public good it aims for. Profit, not philanthropy, is the guiding star of business. Furthermore, parties to a

business relationship are not vulnerable as they would be in a traditional professional relationship (e.g., doctor-patient or lawyer-client). Consequently, business cannot be a profession and many of the roles in business labeled as "professional" are, in Pritchard's view, so considered erroneously. The authors' view however, is that this can be disputed and that business can now legitimately be considered a professional activity in many, though not all, senses.

As far back as 1912, however, Supreme Court Justice Louis D. Brandeis argued that business should be, and to some extent already is, one of the professions. The once meager list of learned professions is being constantly enlarged. Engineering in its many branches already takes ranks beside law, medicine and theology. Forestry and scientific agriculture are securing places of honor. The new professions of manufacturing, of merchandising, of transportation and of finance must soon gain recognition. The establishment of business schools in our universities is a manifestation of the modern conception of business (Brandeis, 1912: p.1).

Justice Brandeis stipulated several qualifying characteristics of a profession. These include: 1) intellectual training involving knowledge as opposed to mere skill; 2) pursuing an occupation largely for others and not merely for oneself; and 3) measuring success other than on financial return. The remainder of Justice Brandeis' speech cites evidence and argument that business meets these qualifications – qualifications that are in fact remarkably similar to those required by Pritchard (1997), and others.

Goode (cited in Lawrence, 1999: p.53) claims that a useful way to distinguish professionalism is to view it as a continuum along which occupations may be placed

according to their possession of certain key characteristics. On this basis, one could view many business roles as having particular (but perhaps not all) characteristics of professionalism, especially a specialist body of knowledge and a service orientation. Dare (2003) defines a profession as "a vocation in which a professed knowledge of some department of learning is used in its application to the affairs of others…" (Dare, 2003: p. 3). He asserts that the terms profession and professional have "evaluative" connotations: they link professions and professionals with a set of desirable or honorable traits (i.e., their training, their skill and their commitment to a set of standards). Dare's definition makes it feasible to understand business as a profession and certain roles within business as professional.

Fullinwider (1996) challenges several of the arguments presented earlier against business being regarded as a profession. In particular, he notes that while by itself the vulnerability and dependency of consumers may not immediately convert business into a profession, certain business activities do seem characterisable as responding directly to important human needs. They therefore meet the professional model fulfilled by law, architecture, journalism and others. Using these criteria, Fullinwider argues that such economic actors as business managers, accountants and life insurance agents may arguably join the list of those who qualify as professionals – as persons whose special role is defined by a certain direct performance for public good, a specialized knowledge and training, and a dependent, vulnerable clientele.

From a functionalist perspective, Reynolds (2000), a sociologist, asserts that society will organize to maintain itself and then various functions or professions will arise to preserve the stability of the social system. Identifying four prerequisites for the maintenance of society (shared

cognitive orientations, normative regulation of means, effective control of disruptive behavior and communication), Reynolds contends that business meets all of these criteria and can justifiably be labeled as a profession.

In the light of the focus in this paper on the relevance of virtue ethics to business, it is worth noting that business clearly fits within Macintyre's (1981) definition of a "practice" with its focus on complexity, cooperation and "goods internal to that form of activity". He points out that Aristotle, when he refers to excellence in human activity, often locates it in a particular type of human endeavor. Macintyre explores a definition of human endeavor which includes the internal good of a particular kind of life. Further reference will be made to this point in a later section of the paper where the relevance of the virtues to the practice of business is explored.

The fact that there is a tendency for professional ethical theory and practice to become distanced from one another makes it timely to explore new models for business, as for other professions. Conventional approaches to professional ethics have focused on a set of prohibitive rules and principles that are concerned with telling people how they ought to behave. These approaches ask fundamental questions: What is one's moral obligation? What ought we do? What is our duty? What is the ultimate principle of moral right and wrong? While these issues should not be de-emphasized, professionals are usually not interested in the rhetoric of dos and don'ts, rights and wrongs, good and bad. When ethics is dealt with like this it becomes abstractionist and fosters a separation of ethics and reality. This is especially true in business where either ethics is seen as being an oxymoron or the idea is fostered that there is good professional practice in business and then

there are ethics. This phenomenon, called the separation thesis (Freeman, 1994), is the view that sees business and ethics as conceptually distinct and separate.

Research by Wicks (1996) provides ample evidence that the separation thesis is a commonly held view and that management theorists are helping to reinforce this. The separation thesis helps to explain several recent cases of mismanagement in business. Enron, for example, was an organization in which management exhibited this behavior. In 2001 Enron executives began engaging in complex financial engineering. The company's huge growth targets required funding that would have hurt the quality of its balance sheet and scared off current and potential investors. Consequently, the company began to create increasingly questionable off-balance-sheet partnerships.1

Many see Enron as an accounting/auditing problem but the reality is that the company's downfall was caused by a poor ethical climate in which rule-bending of almost every dimension of business practice was accepted. Enron had a corporate culture that encouraged a focus on the balance sheet (or, rather, off-balance-sheet) at the cost of ethical practice. The company learned to manipulate earnings and stock prices by adhering to this culture. It developed a reputation for ruthlessness with all its stakeholders and became far too focused on short-run earnings (Ferrell, 2002). The company even learned to manipulate its auditor, Arthur Anderson.

Like most Fortune 500 companies, Enron had a code of ethics but it was only window dressing. Without implementing and communicating this code through their daily practice Enron's executives highlighted its abstractionist nature and hindered its overall usefulness. Ultimately for Enron, being ethical was seen more as a

good marketing strategy as opposed to good practice and when confronted with choosing between the alternatives of being ethical or being profitable, money inevitably won out.

In the light of such examples, to reconsider professional ethics, especially in business, is more important today than ever before. Much of the criticism directed towards business professionals in recent times has primarily resulted from the abstraction of ethics in business. Furthermore, a strong case could be made that business professionals in each of these companies certainly failed to perform for the overall public good. Again, Enron was a prime example of this. The company's high-powered, incentive-driven culture encouraged a lack of openness and honesty in its dealings with its stakeholders (Bartlett, 2002). This in turn cost Enron their trust and led to the premature demise of the company. Both the executives and the board of directors (Zandstra, 2002) acted in a manner which was not conducive to the overall public good.

A second argument for reconsidering traditional models lies in the understanding that professionals are dependent on the trust of the public and still receive high levels of it. This has never been truer than in business today. Corporate bodies influence much of an individual's daily life (Anderson & Cavanagh, 2000). From the clothes they wear to how they invest their savings, people make choices that trust business professionals to get it right. Furthermore, there are few or no alternatives to most clients in need of the specialized skills that many business professionals provide (O'Neill, 2002). Because of the need for trust and trustworthiness as well as the ability business professionals have to affect key areas of private and public life, they are commonly seen as subject to particular ethical considerations.

The continued legitimacy of professionals and professionalism, whether in traditional or business contexts, may depend on the engendering of new trust through ethical engagement and fresh discussions accessible to everyone. Such conversations need to go beyond the familiar economic and technical concerns and the tired rhetoric of criteria, standards and accountability (O'Neill, 2002) to reengage with the ethical dimensions of professional practice. This paper seeks to do this by suggesting that an ethic of role modified by an agent-based approach (virtue ethics) to ethical behavior provides a more appropriate foundation for discussing ethical professionalism in a business context.

An Ethic of Role

As a rule business practitioners and other professionals have prescribed professional behaviour in business through the development and implementation of appropriate sets of rules to regulate conduct and conflict and to address desirable or undesirable behaviour. Such codes draw maps of expected conflicts, expected or suggested solutions and, perhaps, predictable sanctions. Codes seek to exploit the positive functions of legal regulation by institutionalising rules and laws which are valid for organisation members who accept rules by signature when joining or passing exams. There are often collegiate bodies that handle complaints and implement the code while annual meetings can function as legislative bodies.

There are several negative aspects of using a professional code or standards approach to regulate behaviour in business. For Paine (1997) such an approach denatures morality in that it focuses attention upon the

misconduct of isolated individuals, and is not much concerned with how moral problems arise in the first place. Brinkmann (2002) contends that forms tend to become important at the expense of content, external sanctions tend to replace inner involvement and top-down implementation leads to scepticism, cynicism, opposition and the boycotting of rules. Professional codes or standards can also lead to a hampering of competition (Bowie & Duska, 1991). When some organisations implement and enforce codes as part of a self-regulation process and others do not, those who self-regulate invariably incur greater costs. These costs are usually passed onto the consumer who subsequently (and sensibly) chooses the organisation which offers the cheaper product.

Codes typically have a low degree of precision. They may be effective in setting the agenda for a company, but less so in giving priority to specific issues. In fact, formulating a code to cover all the issues that arise in business is a futile task since it would be nearly impossible to find clear cut rules that apply to all situations (Munro, 1997). Furthermore, they don't provide for the solution of any real dilemmas and simplistically recommend that employees always favour the company in resolving their conflicts. Finally, Brinkmann & Ims, 2002 (Brinkmann, 2002) point out the familiar fact that most codes are merely window dressing. They are not communicated or enforced and have a symbolic presence only (the example of Enron provided earlier being a good case of this).

Rules (i.e. organizational standards and procedures) do not provide ironclad guarantees of clarity and transparency, much less of compliance. It is well recognized that in practice some traditional professional institutions have been less than effective in enforcing professional codes. Codes of practice in business are

similarly limited. Where they are enforced, so much time and energy can go into accountability measures that attention is deflected from the core mission of the profession (O'Neill, 2002). Nor are codes capable of addressing adequately the complexity and uncertainty presented by clients' problems. There are, for example, possible violations of trust and vulnerability that cannot be captured by any code of ethics. Situations may arise where a client implicitly or explicitly relies on a professional's moral judgment rather than their own, perhaps because they are unable to choose for themselves. For instance, a client may accept a marketing expert's advice about the circumstances in which it is appropriate to undermine a competitor's product in an advertising campaign. In these cases, publicly articulated statements of ethical conduct will be of little help to a client, who might benefit more from the counsel of a virtuous business practitioner.

Counter to the professional code approach is a professional role morality or role differentiation approach. In general, the notion of role differentiation is based on the idea that there are certain moral duties and responsibilities which change as we move between roles. So duties or responsibilities that attach to special roles may conflict with those acceptable by reference to ordinary roles. The idea of an ethic of role has a general application to everyday life. It can help understanding of how one's role as a parent, for instance, brings special duties which may conflict with one's role as a friend or a club captain. In professional ethics, to accept role morality is to agree that the test of ethical conduct is not whether the professional person adheres to personal morality or generally agreed standards or rules of ethical conduct but whether the professional acts in ways which are consistent with the obligations attached to the professional role.

Scholars have vigorously contested the merits of such role differentiation in recent years. Criticism of role differentiation with respect to traditional professions can be seen as simply one aspect of a much broader attack on claims by the professions to particular and separate moral status. Postema, (Dare, 1998) argues with reference to the legal profession that the traditional role-differentiated conception deprives lawyers of the resource of community moral experience and allows expression of only part of a fully rounded moral personality. In his view, it may be too easy a response to complex professional moral dilemmas simply to retreat behind the idea of role and agency ethics and deny any notion of existential choice or individual personal responsibility.

Dawson (1996) uses the example of public officials to illustrate difficulties in applying a role- and agency-based approach too narrowly. He states that when role differentiation is taken to mean that a public official has only single accountability (i.e., to the government of the day), the jettisoning of personal responsibility in favor of blind adherence to orders is possible. Unfortunately, this is typically the case in business as well. When outside critics claim that professionals in business have a moral responsibility, professionals could (and often do) "blame the role" (e.g., they could simply say "I lied, not as a person under the influence of ordinary morality, but as a business professional motivated by the legitimate need to make profits"). In this sense role morality can enhance the separation between ethics and practice as much as traditional rule approaches do.

Another criticism which might be made of role-differentiation is that it is yet a further expression of the way in which human lives are divided into separate segments, each characterized by varying identities and

modes of conduct, rather than forming an integrated and balanced whole. Macintyre (1981) saw this aspect of modernity as damaging:

Sociological and existential theories lose sight of the unity of human life when they make a sharp separation between the individual and the roles he or she plays, and between the different role enactments of an individual life (Macintyre, 1981: p. 190).

As a consequence of the above, a professional who enters situations which typically trigger norms and expectations often appears rather as a reactive, conflict-handling role player rather than as a subject with free choices.

Those who favor the notion of role differentiation point to the fact that general or broad-based ethical norms often fail to account for widely agreed on professional roles and responsibilities. These professional roles have particular responsibilities and expectations attached. Role differentiation does help to explain why conflict between opposing norms and ideals occurs in professional situations. In addition, it seems inappropriate sometimes to appeal to values that lie outside a particular professional context. For instance, a lawyer's general duty not to refuse a client or the conflict between client and customer care that is built into a real estate agent's role are both simply incomprehensible by ordinary standards.

Oakley and Cocking (2001) cite Veatch's criticism of the use of professional standards to prescribe and justify conduct rather than "some more universally accessible source of morality" (Oakley and Cocking, 2001: p. 97). Their view is that to insist that all professional conduct be judged in terms of generally agreed ethical standards would

be to fail to acknowledge specific professional responsibilities. However, they do not suggest that professionals should be able to lay claim to a separate moral universe only justifiable internally (i.e., by reference exclusively to the norms and values of the profession).

Referring to critiques of utilitarian and Kantian responses to the question of role-generated responsibilities, Oakley and Cocking favor a virtue ethics approach. They use the example of a doctor who decides to maintain patient confidentiality despite the legitimate claims of other persons. Their point is that the doctor's action must in the end be justified by reference to the "moral good which the proper performance of his or her professional role is supposed to serve" (Oakley and Cocking, 2001: p. 100). The same reasoning can be applied to business professionals, who in their legitimate pursuit of profits may not engage in practices that endanger the lives or health of other persons or that violate the requirements of social or political justice (Gewirth, 1986). The nature of the moral good referred to above and the value attached to it is something in which society as a whole has an interest and a legitimate voice. It is not merely internal to the profession valuable though that may be in itself.

The authors' view is that such a virtue ethics approach offers possibilities for a more unified and less atomistic approach to role morality than traditional analyses based on contractarian, Kantian or utilitarian values. Such analyses must simply accept the large gap between conduct expected of professionals and of other citizens (Webb, 2000). This gap is increasingly the subject of criticism, as the onus is placed on professionals to justify appeals to role to explain conduct otherwise criticized as immoral or wrong.

Virtue Ethics

The debate on the merits of role-differentiated professional ethics links to a strong renewal of interest in recent years in the Aristotelian tradition of virtue ethics. Whether or not one accepts the notion of role morality, there is no doubt that professional roles pose particular challenges to traditional action-directed theories. Agent-focused virtue ethics offers a fresh approach that may offer new insights into the roles and responsibilities of professionals.

Virtue ethics as it has developed in the renaissance of the last forty years, takes various forms but certain key elements are common to all. It contrasts with other normative frameworks in the Western tradition because it addresses the question "Who should I be?" rather than "What should I do?" Its concern is with character and personal disposition rather than right conduct. In addition, virtue ethics links readily to other trends in current philosophical thought. One example is the recent tendency to criticize the time-honored practice of devising moral theories as a dead end. Statman (1997) notes that some scholars opposed to such theory-building see virtue ethics as qualitatively different in that it does not seek to create yet another such system. A second example is the way in which virtue ethics, with its focus on social context and a shared sense of telos or purpose, connects readily to a recent focus on communitarian ways of seeing the world. This may be contrasted with the individualism of traditional moral theory. In a business ethics context, for instance, this is illustrated by the notion of the company or the workplace as a collective with a common purpose rather than a random group of individuals bent on individual gain.

For Aristotle, "a humanly flourishing life", whether we take it to denote success in the broadest sense, the good life, or faring well, (Blackburn, 2001; Hursthouse, 1999) is something everyone wants. It doesn't suggest selfish contentment or hedonism but rather a life characterized by development of the inner self to build a life worthy of being lived. The good life cannot be pursued independently of an understanding of one's identity and purpose in life. This will be understood for most of us in terms of belonging to a community with a shared telos. Aristotle believes that there are certain traits of character, particular attitudes and dispositions, which are valuable in themselves and which fit us best for living well in a community with shared goals. These qualities or virtues have both rational and emotional components which are in balance with one another. They form "an interlocking web of intrinsic goods" (Oakley & Cocking, 2001: p. 15) which, when taken together with the important quality of practical wisdom or judgment, enable us to make the most of our public and private lives.

To Aristotle it seems as if the acquisition of virtues is at least partly a matter of choice since humans are made to be capable of cultivating them. Habit and training ensure that the virtues are acquired but while this may seem to require an initiative from another (e.g., a parent or mentor), acquiring and using the virtues is primarily a matter of will and natural inclination (Dawson, 1996). In the professional context, the virtues will be acquired through professional education, training, mentoring and practical experience. But they will be constantly refined and developed in the light of the overall goal of self-actualization.

How exactly do the virtues equip us for living well? Having the virtues enables us to focus on being a certain sort of person rather than on a narrow concern with doing the right thing. We are free to realize the potential of human

nature in a holistic and autonomous way that does not make us into a battlefield for contesting emotions or reduce us into sophisticated rulebook interpreters. There is an intrinsic good in having the virtues, quite apart from their practicality. They make up part of leading a flourishing human life rather than simply equipping us for that good life.

There are many situations, in business professional contexts (e.g., accountancy, real estate and insurance, and property valuation) as much as in everyday life, where the difficulty is not deciding what the right thing is but being motivated to do it. The virtues not only enable us to see what is desirable and morally appropriate but also motivate us to choose to do it. The reason for this is that the virtuous act not from duty or obligation but because they are able to blend emotion and judgment in such a way that they are motivated to both feel and act appropriately (Jackson, 1996). For example, a real estate agent, oriented only to a Kantian-style code of conduct as far as professional decisions are concerned, is likely to focus on compliance. A virtuous real estate agent, however, not only recognizes the complexity of and the potential conflict between the customer and client relationships but is minded to act fairly in respect of both.

Virtue Ethics and Professional Roles

What does virtue ethics have to say about professional roles and responsibilities in business? Oakley and Cocking (2001) state that a professional's actions must be judged by the moral good that proper performance of the professional role is intended to serve. Their view is that virtue ethics can best be applied to professional roles not simply by evaluating all professional roles and practitioners

by reference to a broad notion of the virtuous professional but by focusing on the profession itself:

…good professional roles must be part of a good profession, and a good profession…is one that involves a commitment to a key human good, a good which plays a crucial role in enabling us to live a humanly flourishing life (Oakley and Cocking, 2001: p. 74).

Thus to establish what a good professional role is, we need to refer to the goals of the profession. Good professions, in the view of Oakley and Cocking, are those "which by their existence contribute in an important way to human good" (Oakley and Cocking, 2001: p. 74). It is not sufficient to take for granted the norms of a profession. Rather it must be shown that they reflect an important human value or values. Whilst the ideas of service and altruism are used to characterize professionalism more commonly than the notion of human flourishing, the value of linking professional status to human flourishing, as Oakley and Cocking note (Oakley and Cocking, 2001: p. 78-79), is that this notion fits well with a core claim made by all professions (i.e., that they contribute something worthwhile to society).

A particular profession has not only to meet the requirement of having a broad goal that contributes to human flourishing. It is also necessary, according to Oakley and Cocking, to show how a professional role contributes towards the overriding goal of the profession. Particular roles and responsibilities can therefore be determined by reference to the broad goal of the profession.

This paper will now consider as an example how this approach to professional roles could be applied in business. Following Oakley and Cocking, our starting point

must be with the profession itself and the claim made by all professions to contribute to a key human good, or to human flourishing.

Business, at least at the theoretical level, is directed towards the empowerment, autonomy and transformation of people, primarily at an individual but also at a collective level. Many theorists from a variety of fields have produced arguments affirming the above in one form or another. For example, Kristol (1978) argued that capitalism, the economic system central to modern business, provides for equality of economic opportunity. Through this, each individual is empowered to pursue their own happiness as they define it, and as far as their natural assets will permit. This in turn ensures we are all better off because individuals in pursuit of their own happiness are more creative, innovative, and adept at finding ways for societies to be more productive, thereby creating more wealth in which everyone shares. Only through the medium of business can such transformational autonomous change occur.

Others like Friedman (1967) and Sternberg (1994) see business as a mechanism that ensures unanimity and freedom in society. Sternberg, while contending that, "the defining goal of business is to maximise owner value over the long term by selling goods or services" (Sternberg , 1994: p. 32), describes business as a prime contributor to the overall public good. Sternberg sees truth, justice and fairness as being intimately related to business. Furthermore, she argues, "business plays a vital role in financing higher values in society like autonomy and empowerment" (Sternberg, 1994: p. 261). The wealth created by business enriches stakeholders, who can use their increased capital to support the objectives of their choice. According to Sternberg, "business makes the

achievement of other values possible" (Sternberg, 1994: p. 262).

For Solomon (1992), the practice of business is to promote prosperity, to provide essential and desirable goods, to make life easier. In his view, the very structure of our society, with its values and personality is created by business, as a consequence of the way business spurs and makes productivity possible, and of the way it distributes the goods throughout society and the world. Indeed, the values of Western society – for better or worse – are essentially business values, those of freedom, novelty and innovation and personal initiative. These are values, it can be argued, that encourage empowerment and transformation into a better world despite their negative consequences for some individuals. In Macintyre's (1981) terms, the goals of empowerment and transformation will lead to human endeavour which brings its own internal good in the form of well-lived lives.

Admittedly, as is the case in much of what occurs in the world today, reality is often far from rhetoric. It could be contended that the empowerment, transformation and autonomy engendered by business has become the purview of a privileged few while the majority of the world's population are yet to see the benefits. However, it could equally be argued that the services provided by lawyers, doctors and other professionals have also become limited to those who can afford them. Neither of these points dispels the main argument that, despite the inevitable gap between goals and achievement, medicine, law and business contribute overall to human good or flourishing.

In order to say anything useful about the professional ethics of business and to elaborate on what constitutes a good professional role in particular

circumstances, we need, applying Oakley and Cocking's (2001) approach, to know what the key professional concerns, beliefs and features of business are. The concerns and consequences of excellent business practice include empowerment, transformation and autonomy as well as traditional bottom line goal*s*. These concerns and beliefs could be described in general terms as addressing the following sorts of things: respect for individuals; commitment to all stakeholders; development of socially responsible schemata against which to interpret business practice; and a valuing of reflection on practice. Business professionals serve these overall goals through a focus on particular lesser goals carried out as part of a normal professional role (e.g., an accountant's commitment to stakeholders by reporting triple bottom line results).2 The key concerns and beliefs referred to above provide a background against which practices are undertaken and appropriate qualities of character are developed.

Oakley and Cocking's idea of a "regulative ideal" is useful here. This concept represents an "internalised disposition" to act and be motivated in particular ways, depending on a specific understanding of what makes up excellence. The business practitioner who shares the understanding of business excellence outlined in the preceding paragraph and who modifies and develops their conduct accordingly has a regulative ideal which is a spur to motivation and a guide to practice.

The virtue ethics approach suggests that business activities and decisions should be approached in a way that contributes towards the professional's overall goals. Virtue ethics stresses both activities and motives (i.e., what the business professional does and why). But whilst the same statement could be made about other ethical theories, virtue ethics differs in that action and motive are linked to

character and dispositions. Activities will be undertaken and decisions will be made from motives that are linked to a particular character. The virtues (i.e., qualities of character and dispositions) that will be appropriate to the practice of business will be those which contribute to the proper goals of the profession and thereby to human flourishing. They will be acquired as a novice professional is exposed to education, mentoring, practicum and practical training as well as the ethos of business practice as expressed in the key concerns and beliefs of the profession. In addition, according to Macintyre (1981), codes and rules may play some part in the development of professional virtues, particularly at a novice level.

To conclude the example, what would count as virtues for a business professional? That is, what qualities would best help a person in his or her professional role work towards the overriding goals of a business profession? It is suggested, by way of example, that each of the following qualities would contribute its particular strength (Solomon, 1992; Maitland, 1997):

- Honesty – the very idea of exchange in business has built into it the requirement of mutual agreement, the expectation of honest accounting, and a fair exchange. Honesty is the first premise in the logic of personal freedom upon which free enterprise thinking is built;
- Fairness – the disposition based on a desire to deal with the perceived injustices of others. Fairness often relates to doing the right thing with respect to small matters, a practice which nurtures a long-term business relationship;
- Trustworthiness – the disposition to keep disclosures confidential and to honor trust shown by vulnerable stakeholders;
- Toughness –having a proper sense of purpose or vision, insulated against greed as well as weakness, and

persevering in the long-term plans and strategies necessary to achieve this vision;

• Loyalty – the disposition to be honest and trustworthy not within oneself but rather with oneself conceived as part of a larger self or stakeholder group;

• Honor – this requires a sense of belonging, a sense of membership, a sense of self that is inseparable from one's group identity. It involves living up to the expectations of stakeholders, whether these are spelled out as a code or a set of moral rules or are simply implicit in the practices and goals of the group;

• Empathy – the ability to share the feelings or emotions of others. It promotes civility because success in the market depends on courteous treatment of people who have the option to choose to deal with competitors. It includes the ability to anticipate needs and satisfy customers and employees which contributes to the firm's economic success;

• Self-control – the disposition to pass up an immediate advantage or gratification. It indicates the ability to avoid exploiting a known opportunity for self-interest, recognizing the trade-off between short-term self-interest and long-term benefits.

In the view of the authors, there is a link between these particular virtues and excellent business practice in that they contribute to the advancement of the proper goals of business represented by empowerment, autonomy and transformation of people. These qualities of character and disposition are those which will help the business practitioner to contribute towards these overriding goals of the business profession. For example, the virtue of honesty contributes indirectly to empowerment because it demonstrates a respect for others which is needed for the personal growth and empowerment of those with whom one deals in business. The virtues listed might also be

elements of the "internalized disposition" referred to earlier which leads a business practitioner to act in ways which are predicated on a notion of human flourishing.

Advantages and Disadvantages of Talking Virtue

Is the claim that virtue ethics offers more than traditional principle-based approaches to professional ethics in business justifiable? What are the benefits and hazards of talking virtue (Jennings, 2002) rather than rules?

Firstly, the idea that the way in which the virtues contribute to human flourishing must be worked out in a particular community's or tradition's context is relevant to business. Both at an individual and a collective level, there is an increasing recognition by business practitioners of the social and collegial nature of business (Solomon, 1992). Whilst business as a profession may not draw on as rich a sense of collective history and culture as the traditional professions, there is a growing awareness of the potential for business to develop as a moral community. The current focus on corporate social responsibility illustrates a strong trend towards viewing business as an undertaking with values-driven as well as profit-focused dimensions.

For Macintyre (1981), whilst the virtues are linked to specific sets of traditions in professional contexts, these are not to be confused with "conservative antiquarianism" that resists change at the expense of the public interest. Rather the contextualization of virtues can unlock future possibilities informed by past experience. Particular virtues are thus identified, fostered and reinforced in a positive way by history, tradition and myths. In referring to collective identity, a parallel may perhaps be drawn with Solomon's

(1997) statement that business ethics fits with an Aristotelian approach because in his view, businesses represent communities with a shared sense of purpose.

The virtue ethics focus on long-term characteristic patterns of behavior and the downplaying of individual decision-making events suits the nature of professional engagement in business well. Because professional skills in business are exercised in complex and ambiguous contexts, they cannot be a matter of routine or simplistic prescription, whether one is speaking of technical or moral matters. This sits well with the work of Dreyfus and Dreyfus (1990) who identify a continuum in professional development from novice to expert as a practitioner moves from following guidelines and precepts towards intuitive ethical expertise. Rule and principle-based approaches to professional ethical matters, such as codes of ethics, can at best only partially address the uncertainty and mutability of business work contexts. Simply put, no amount of talking rules can cover all eventualities and a professional ethic is about much more than compliance driven by accountability mechanisms. It has been argued that, in business, regulation through corporate or industry codes of ethics does nothing more than make individuals comply (Ker, 1993). Moral growth comes from choice; conformity and codes do not make the difference:

A thoroughly unscrupulous businessman will not be persuaded to mend his ways by an ethical code any more than thieves will be reformed by a reading of the criminal statutes (Ker, 1993: p. 7). In the virtue tradition, morality is engendered from within the professional person through habitual action and results from a focus on character and disposition.

A further strength of a virtue ethics approach is

related to the distinction between knowing what is right and wrong and acting the right way (Jennings, 2002). If a key challenge for business professionals is not simply enabling novice practitioners to see the right action or strategy but motivating them to do it, then talking virtue has more to offer than talking rules because of its holism. It provides for and accounts for motivation, making it a central aspect of professional ethics in a way that rule-directed approaches generally do not. In the Enron example cited earlier the accepted culture was such that neither senior executives nor the board of directors had internalized the business virtues which would have motivated them to act appropriately.

A professional ethic that sees ethics merely as action in accordance with prescribed rules or principles is formulaic and impoverished. The way in which simply applying rules may well result in "private vices, professional virtues" (if one accepts role-differentiated ethics), seems to reduce professionalism to the barren concept which its detractors often criticize. The virtuous business professional, at least at the expert end of the novice to expert continuum, does the right thing naturally without having to battle emotions, or traits of character and without there being any conflict between emotion and reason (Statman, 1997).

The fact that virtue ethics offers a fresh approach to professional ethics, however, does not mean that there are no difficulties in its application. A number of criticisms will be briefly mentioned. Firstly, it must be acknowledged that one might have the appropriate virtues for the profession of business yet still end up acting wrongly in particular cases. This has been designated by Louden (1993) as the "tragic humans" problem in a reference to Aristotle's point that, regardless of character, even a virtuous person can make mistakes of judgment. This might

fairly be regarded as more of a problem in professional life than everyday life, since the whole reason for a client to engage the services of a professional is because sound judgment and appropriate action are required. Nonetheless, mistakes are also made when rules and codes are followed.

A second criticism of virtue ethics is linked to the way in which for some scholars such as Macintyre (1981), the virtues are specific to particular cultures and practices. For example, to a tribal group eking out a subsistence living, courage and toughness might count as virtues; these qualities might be of less value in a crowded post-industrial society where respect and self control are prioritized as they enhance social life for all. (This approach does not, as Dawson (1996) points out, however, mirror that of Aristotle, for whom the virtues were tied to a particular story about human nature and the good life). This aspect means that the virtues must change over time and in different contexts, making it impossible to universalize them. This can be viewed as a drawback since it seems to leave the virtues too much to chance and intuition and exposes them to charges of relativism (Statman, 1997). This criticism, it is submitted, does little to subvert the professional virtues of business outlined earlier. If the virtue approach allows for many context-specific virtues which can be in conflict with one another at times, equally, rule-based approaches allow for many different rules, also with the possibility of conflict and contradiction.

Dare's (1998) critique of professional virtues defends a traditional conception of role differentiation using an argument based on several observations about the nature of professional/client relationships. These include the fact that client relationships with professionals are about important matters, are based on a power and expertise imbalance, and are characterized by a need

generally to take the word of the expert, who is more likely a stranger rather than a friend. These characteristics apply at least in part to the business profession.

Because of these factors, Dare says (Dare, 1998: p. 152), vulnerable clients need some way to judge the values which will govern the professional relationship. They simply do not have access to the character or virtues of their professional advisor and it would be leaving too much to chance to rely for appropriate conduct on a "fit of courage" from time to time on the part of the professional advisor. Thus clients should be entitled to rely on a public statement of the ethical rules and principles which will guide the professional. Such statements are found in codes of ethics and other similar rule-based prescriptions generated by professional associations. They form, in essence, a transparent public morality upon which clients can rely, partly because of the sanctions which lie behind them.

Whilst this argument is relevant, it is not entirely persuasive for reasons canvassed earlier in this paper. Rules do not come accompanied by assurances of their performance; enforcement is less than perfect and at any rate, the very need for and reliance on it seems subtly to undercut important claims about professionalism e.g. that professionals act in the interests of clients.

Conclusion

This paper has argued that broadening conceptions of the nature of professionalism indicate that business can be considered a profession and business practitioners professionals. It has considered the limitations of confining ethical professionalism to a set of rules or principles, usually in the form of a code or statement, which has told

professionals how they ought to behave. This has led the separation of ethics from professional practice in many contexts but especially in business. Despite this separation, or perhaps because of it, there is greater need today than at any previous time for an ethical professionalism that is trustworthy.

The notion of role differentiation, based on the idea that there are certain moral duties and responsibilities that are attached to certain roles, has been discussed. The authors have stated that to judge all professional conduct in terms of generally agreed standards is to fail to acknowledge those specific professional responsibilities in a context such as business. But while an ethic of role alleviates some of the problems involved with a norm-based approach to ethics it does not, by itself, solve all of the difficulties alluded to earlier.

This paper suggests that virtue ethics offers a more unified and less atomistic approach to an ethic of role morality than traditional analysis. By focusing on the profession itself and its overarching goals, virtue ethics allows us to determine what business, as a good profession, would look like. It is not sufficient to take for granted the norms of the business profession. Rather it must be shown how they reflect important human values. While other ethical approaches to role morality (e.g., contractarian, Kantian and so on) stress activities and motives, virtue ethics differs in that action and motive are linked to character and disposition. Action, therefore, will be undertaken and decisions made from motives that are linked to that character, as well as to the professional role the individual is playing. The virtues that will be appropriate in business will be those which allow a business person to contribute to the proper goals of the profession and thereby to human flourishing.

Unfortunately, no single ethical approach can claim to offer answers to all the questions arising in professional practice or to be immune from problems and criticism. Acknowledging that, it is suggested that "talking virtue", with its focus on character, disposition and human flourishing greatly enriches and amplifies the professional ethics conversation.

Notes

1. Third parties were found to set up an outside company which lent the required capital back to Enron in return for an attractive return. Enron stock was put up as collateral. If all goes well, Enron make a profit, investors continue to invest and the third parties are repaid their money plus interest when Enron pays back the outside company. Unfortunately, these debts were not included in Enron's financial reports.

2. A triple bottom line measures performance based on economic, ecological and community assets, liabilities, and profits/benefits and losses (Weiss, 2003).

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