

**The Virtuous Aristotelian
Businessperson**

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INTRODUCTION AND SCOPE

Thoughts on business ethics are probably as old as business itself and hopefully most businesspersons live or try to live by some often vaguely articulated code of ethics. In order to instruct or guide employees, if not for pure public relations value, many companies here at not inconsiderable expense developed or bought codes of ethics. Frequently these codes of ethics consist of a series of platitudes asking employees to follow the law and be loyal to the company. Statements about reciprocity may frequently be struck by legal departments as implying something contractually binding.

In addition to codes promulgated by companies, colleges of business are developing or expanding units or even courses on business ethics. In my own university the college curriculum committee (in the early 1990's) recommended that ethics which with international was being taught across the curriculum (which in my experience means nowhere), be taught in an identifiable unit in the legal environment course at both undergraduate and MBA levels. More recently the college curriculum team has recommended the undergraduate course title be changed to Legal and Ethical Environment before the next AACSB visit. Sections and increasing papers on ethics within our organization also attest to the growing academic interest in business ethics.

It is our Western academic to tradition (largely from Aristotle) that we approach issues as logically and systematically as possible. We cover the bases as it were and try to develop a model that is internally consistent and, as business professors, actually work in the world.

In this spirit this paper intends to describe the business executive who studied Aristotle's philosophy to develop a practical approach to the practice of and development in subordinates of

ethical business. This study is largely limited to the text (in English translation) of Aristotle. It is ultimately intended to be of practical value inviting comments, criticisms, corrections, and more sophisticated further studies.

The German poet Goethe said Aristotle is like a giant pyramid rising ever higher in the heavens and with a base ever broader. To understand one part of Aristotle it is necessary to understand the other parts. My study began with the Nicomachean Ethics then back to De Anima (on the Soul) to the Metaphysics and to the Politics. If it is necessary to understand all of Aristotle to understand anything, our task is impossible since much of it, if not the majority of Aristotle's writings remain lost. Many of our colleagues in departments of philosophy know far more about Aristotle than me or most of us ever will but as scholars our expertise is in the principles of business and law. This paper is not intended as deeper insight into Aristotle's thought, but a fresh look at his philosophy with a practical application.

One more point by way of introduction; most of us look to religion as a taproot of ethical thought and in the United States the vast majority of us have a Christian background. Martin Luther said The Bible contained all that was necessary but not necessarily all that was. Thomas Aquinas worked hard to successfully show Aristotle's consistency with Christianity. Following the lead of Aquinas, our hypothetical businessperson could be a devout Christian and without any inconsistency a follower of Aristotelian ethics.

THE CONTEXT OF ARISTOTLE

Aristotle was born 384/3 BC, exactly 100 years after the courageous stand of a few hundred Spartans at the pass of Thermopylae against barbarian (the Greek view) invaders whose success quite possibly could have ended Greek and, consequently, Western culture. He was born in Thrace thus making him always a foreigner in Athens. His father Nicomachus

(Nicomachean Ethics) was court physician to Amyntas II, King of Macedon (modern Northern Greece and Southern Yugoslavia), father of Phillip the Great and grandfather of Alexander the Great. At 18 Aristotle went to Athens and for 20 years was associated with the Academy of Plato although there is little evidence that the two were close associates. Aristotle then spent 15 years in various courts or engaged in research. This includes about two years in Macedon as tutor to the young Alexander. It is often commented that there is little evidence that the association did either party any good. Aristotle in 335/4 BC, at the age of 50, returned to Athens and founded the Lyceum, "to the institution and pursuit of a program of investigations, speculation, and teaching in almost every branch of knowledge and to the composition of all or most, or at least the more scientific portions of his writings." (pages ix-x)

In 323 BC, with the death of Alexander, Aristotle's Macedonian connections brought him under suspicion. He was charged with impiety much as Socrates had been. Rather, it is said than allow Athens to sin a second time against philosophy, he fled the city and, taking refuge under a viceroy of Alexander, died a year later in 322.

What is incredible is the breadth of Aristotle's writings. His work on logic is critical to the development of the Western scientific mind. He writes on physics, psychology (*De Anima*), biology in *Metaphysics*, and the practical sciences of ethics, politics and poetry. Within his writings there is material on the art of pedagogy or how best to teach. While Aristotle has his speculative and theoretical side, much of his material is down to earth, based on logical observation, practical experience and with the intent to be useful. As a business professor, this puts him on the same wavelength as me in contrast to Plato whose writings are much more speculative and less grounded in practical reasoning.

In the end Aristotle finds the highest calling to be the life of contemplation. Thus to write about, think about and teach business ethics is better than actually having to go out and actually do something. Nevertheless there is great respect for men who can lead and for the practical process of turning out and developing men with the abilities, skills, and dispositions to actually do something. Aristotle might feel at home in a business school and feel our institution is not somehow less because what is taught is useful in the practical world.

ETHICS AND THE VIEW OF THE UNIVERSE

The Greek word Ethos translates as "habit." Aristotle argues that the study, teaching and practice of ethics, or correct or incorrect actions, is based not so much on logical reflection but of habits which are part of human character. The ethical man is thus one of good habits based on character which according to Aristotle is developed by instruction, not inborn.

Any proper study of ethics begins with the basic questions of what is ethical behavior, and why should one be ethical. The Christian answer is fairly simple. Truth and what is ethical is revealed by God in The Bible. While the theology is complex, eternal and horrible punishment awaits those who misbehave. Logical reasoning has long been used as a tool especially in Western Christianity to understand revelation but it is not essential to the process.

Aristotle also believes in a final cause (we would say God) but the tool to understanding is logical reasoning not revelation.

Aristotle begins his treatise on logic (Posterior Analytics), "All instruction given or received by way of argument proceeds from preexistent knowledge." (page 9) He goes on to describe the use of logical reasoning for the expansion of knowledge. Then in his treatise on psychology (DeAnima) he describes the movements of plants, animals and the human animal which has uniquely with God the power of thought. Through this unique motion (thought)

logically applied we develop sciences. The theoretical sciences describe the structure of the universe, the practical sciences, the ends of human life and the productive sciences describe and teach how to make things.

According to Aristotle as we continue to think we sort through the motions of the universe until we come to the First Cause or the beginning of motion or God. Human thought lifts us to this and in the end thought brings us ever closer to full understanding and thus God. Not all men have equal gifts to understand the First Cause. "...Wisdom is knowledge about certain principles and causes. ...for the wise man must not be ordered but must order, and he must not obey another, but the less wise must obey him." (Metaphysics Book I, Chapter 2) In summary there is a structure of the universe beginning with God as the First Cause. All motions and thoughts flow from this. Our study of ethical behavior comes out of and is grounded in this higher understanding.

STRUCTURES OF HUMAN SOCIETY

Fortunately it is not necessary to have intimate acquaintance with the Prime-Mover or First Cause to study the practical sciences. It is sufficient to know, at least according to Aristotle, that it all logically flows from God.

"It is evident that the state is a creation of nature and that man is by nature a political animal (Politics Book I, Chapter 2) ...But he who is unable to live in a society, or who has no need because he is sufficient for himself must be either a beast or a god." (Book I, Chapter 2) "For man, when perfected is the best of animals, but, when separated from law and justice he is the worst of all."

Aristotle says there are many communities in nature and political communities represent the highest good which is to bring the good life to the members of the community. Animals,

including mankind, have the community of male and female because they have a “natural desire to leave behind an image of themselves.” (Book II, Chapter 2)

The most basic political community is the household which supplies the daily needs “And there is another element of a household, the so-called art of gathering wealth,” which is the art of household management. (Book I, Chapter 3)

Several households form a village and villages combine to form a state. In summary “And it is a characteristic of man that he alone has any sense of good and evil, of just and unjust, ...and the association of living beings who have this sense makes a family and a state.” (Book I, Chapter 2)

Who then should rule in political communities? “For that some should rule and others be ruled is a thing not only necessary, but expedient from the hour of their birth, some are marked out for subjection, others to rule.” (Book I, Chapter 5) To prove this he turns to psychology and makes analogies to the mind ruling over the body and reason over appetites. Aristotle goes on to say “Hellenes do not like to call Hellens slaves, but confine the term to barbarians.” (Book I, Chapter 6) The Greek sense seems to be that others are barbarians who are held in little regard.

The politics thus describe the forms of government. The proper form depends on the quality of citizens . One person rule easily corrupts the ruler but full democracy gives way to the passions of the moment. For advanced Greek culture the democracy of the few is held to be the best system to further the ends of the state which is the good life for all.

THE GOAL OF LIFE-HAPPINESS

The state village and household serve as the foundation of society to cultivate the good life. What then are the ends of life and how do individuals attain these ends? This is the subject

of Nicomachean Ethics. The end or goal of life is happiness which is attained through the cultivation of and exercise of moral and intellectual virtues.

The end of political communities is to allow men to attain the good life. The end of the good life is happiness according to Aristotle. Mercifully Aristotle says “presumably, however, to say that happiness is the chief good is a platitude and a clearer account of what it is is still desired.” (Ethics Book II, Chapter 7)

Aristotle says men frequently identify happiness with pleasure, honor, and wealth. Aristotle’s conclusion is that the greatest happiness comes from contemplation. This includes teaching, research, and writing. It allows one to gain knowledge, attain wisdom, and come closer to God for the First Cause. Thus we professors have the highest of callings and the highest aspirations.

It is not given to all men to aspire to the life of contemplation - it is not consistent with their abilities or temperaments. “To judge from the lives that men lead, most men and men of the most vulgar type seem (not without some ground) to identify the good, or happiness, with pleasure which is the reason why they love the life of enjoyment.” This sort of life Aristotle says is suitable for beasts but the beliefs of the vulgar are reinforced by the bad example of many in high places. Aristotle, however, does not condemn pleasure as later Christian culture does. In moderation it is good but it is not a high end.

Next is the political life “ A consideration of the prominent types of life shows that people of superior refinement and of active disposition identify happiness with honour; for this is, roughly speaking, the end of political life.” (Book I, Chapter 3)

Again and again Aristotle refers to knowledge as the basis of wisdom leading to the highest happiness. He quotes from Hesiod “For best is he who knows all things himself.”

While scornful of those who regard mere pleasure as happiness he holds in high regard those of “active disposition” while different from himself as men worthy of highest praise and those who hold our political communities together).

The remaining alternative, then, is that it is a true and reasoned state of capacity to act with regard to the things that are good or bad for man. For while making has an end other than itself, action cannot; for good action itself is its end. It is for this reason that we think Pericles and men like him have practical wisdom, viz. because they can see what is good for themselves and what is good for men in general; we consider that those can do this who are good at managing households or states. (This is why we call temperance (sophrosyne) by this name; we imply that it preserves one’s practical wisdom. (pages 428-29)

Aristotle dismisses the life of money-making rather quickly:

The life of money-making is one undertaken under compulsion, and wealth is evidently not the good we are seeking; for it is merely useful and for the sake of something else. And so one might rather take the aforementioned objects to be ends; for they are loved for themselves. But it is evident that not even these are ends; yet many arguments have been thrown away in support of them. Let us leave this subject then. (page 313)

Several things come out of this. There is nothing wrong with wealth but as we would all agree it can become compulsive. Money is a means to an end—not the end. The running of a state or household demands a practical wisdom which Aristotle may not himself have had. In his culture the business entity is the household and a business manager is a leader of some level within a household. From my reading Aristotle never deals with the sins or benefits of great wealth. One has the impression that there are few concentrations of great wealth in his culture. Management and leadership is simply on a continuum from small to large households to kingdoms. A civic leader, a king or a household manager are one in the same. This is quite different from Plato’s Republic where the intellectuals rule.

EDUCATION OF THE BUSINESS MANAGER

Aristotle describes the man of practical wisdom as virtuous. "...Virtue in the main owes both its birth and its growth to teaching (for which reason it requires experience and time)...moral virtue comes about as a result of habit, whence also its name *ethike* is one that is formed from a slight variation from the word *ethos* (habit)."

Moral virtues, Aristotle says, are not naturally part of us, although if it is in our nature we can learn proper habits. Not all can learn.

Again of all the things that come to us by nature we first acquire the potentiality and later exhibit the activity (this is plain in the case of the senses; for it was not by often seeing or often hearing that we got these senses, but on the contrary we had them before we used them, and did not come to have them by using them); but the virtues we get by first exercising them, as also happens in the case of the arts as well. For the things we have to learn before we can do them, we learn by doing them, e.g. men become builders by building and lyre-players by playing the lyre; so too we become just by doing just acts, temperate by doing temperate acts, brave by doing braving acts. (page 331)

Aristotle believes in education in moral virtues must be active:

For instance the stone which by nature moves downwards cannot be habituated to move upwards, not even if one tries to train it by throwing it up ten thousand times; nor can fire be habituated to move downwards, nor can anything else that by nature behaves in one way be trained to behave in another.

Action is critical to a life of practical wisdom:

...for one who has the activity will of necessity be acting, and acting well. And as in the Olympic Games it is not the most beautiful and the strongest that are crowned but those who compete (for it is some of these that are victorious), so those who act win, and rightly win, the noble and good things in life. (pages 320-21)

In summary, managers must originally be made of the right material and acquire a proper knowledge background which aids in productivity and attaining practical wisdom. But the successful manager is also virtuous. Virtue is not passive but a state of activity. One acts based on one's character and character is developed through active education. According to Aristotle the virtuous businessperson when faced with an ethical question will not rationalize but act based on the ethos or habits that we as educators have put in. It is a frequent question – can we make our students ethical? Aristotle answers that we can. We do however need to decide what is ethical. Aristotle not unexpectedly, is not at a loss.

WHAT IS ETHICAL?

“Virtue, then, is a state of character concerned with choice...” (Book II, Chapter 6).

Animals by nature cannot acquire virtue. Recently a story came out about a man who earned and quickly ran through \$1.7 million. Aristotle, not an egalitarian, would probably say the man is a slave to his passions and fit only to be governed by a virtuous man. Let me give you two quotes on the golden mean:

Virtue, then, is a state of character concerned with choice, lying in a mean, i.e. the mean relative to us, this being determined by a rational principle, and by that principle by which the man of practical wisdom would determine it.

Aristotle's writings are very repetitious. Here is another quote on this important concept.

That moral virtue is a mean, then, and in what sense it is so, and that it is a mean between two vices, the one involving excess, the other deficiency, and that it is such because its character is to aim at what is intermediate in passions and in actions, has been sufficiently stated. Hence also it is no easy task to be good. For in everything it is no easy task to find the middle, e.g. to find the middle of a circle is not for every one but for him who knows; so, too, any one can get angry – that is easy – or give or spend money; but to do this to the right person, to the right extent, at the right time, with the right motive, and in the right way, that is not for every

one, nor is it easy; wherefore goodness is both rare and laudable and noble. (page 346)

The mean is intended as a useful pedagogic tool. Means may be found by simply setting up self selected opposites. That this is a useful tool and not a rigid rule is shown some things "...that already imply badness, e.g. spite, shamelessness, envy, and in the case of actions — adultery, theft, murder, for all of these and suchlike things imply by their names that they are themselves bad, and not the excesses or deficiencies of them." (Book II, Chapter 6)

THE VIRTUES

Aristotle's list and discussion of moral virtues is the heart of his treatise on practical wisdom. Justice encompasses all the other virtues and is dealt with last. Let us discuss several virtues.

Courage, Aristotle says, "That it is a mean with regard to feelings of fear...(Book III, Chapter 6)." Courage is a mean between rashness and cowardness. The discussion quickly says, "...We fear all evils, e.g. disgrace, poverty, disease, friendliness, death, ...for to fear some things is even right and noble, and it is base not to fear them—e.g. disgrace; he who fears this is good and modest, and he who does not is shameless." (Book III, Chapter 6) Courage comes from character... "Nor is a man a coward if he fears insult to his wife..., nor brave if he is confident when he is about to be flogged... ." (Book III, Chapter 6) Some men are without character and some are stupid.

The ultimate in course is that of the citizen soldier. Aristotle tells us that the best soldier is the strongest, best equipped professional soldier, but when the battle turns against them "...they are the first to fly, while citizen-forces die at their posts, ...for to the latter flight is disgraceful and death is preferable to safety on those terms..."

...while the former from the very beginning faced the danger on the assumption that they were stronger, and when they know the facts they fly, fearing death more than disgrace; but the brave man is not that sort of person. (page 366)

Aristotle does not treat death lightly... "Now death is the most terrible of all things, for it is the end and nothing is thought to be any longer either good or bad for the dead..." (Book III, Chapter 6)

To choose death as an escape from poverty or love is base. But death in battle is something the brave citizen faces because it is the noblest danger. True bravery comes out of the ethic or habit of courage. Aristotle is quick to point out that courage comes from striving for honor but also fear of disgrace. He quotes the taunts of Hector:

Afraid was Tydeides, and fled from my face....But if I shall spy any dastard that cowers far from the fight, Vainly will such a one hope to escape from the dogs. (page 365)

Courage is a core virtue of leaders even though followers may in many cases be motivated by fear of punishment or disgrace if they fail. There is no place for the pacifist argument. Survival of the city state depends on a citizen soldier willing and able to fight. In our own day the creator of the film Schlinder's List was not likely to create a pacifist film about Normandy. Captain Miller, the high school teacher and citizen soldier, embodies the Aristotelian virtue of courage as does Private Ryan in a simpler way. The military analogies of military virtue and business leadership are a topic for a separate paper.

TEMPERANCE

According to Aristotle, self-indulgence is an extension of pleasure. Temperance has a spiritual meaning in our culture that Aristotle would not recognize. The other extreme... "People who fall short with regard to pleasures and delight in them less than they should are hardly

found; for such insensibility is not human..." Book III, Chapter 11) How is temperance learned?

It is taught to young people.

...and this is what we call an obedient and chastened state — and as the child should live according to the direction of his tutor, so the appetitive element should live according to rational principle. (page 373)

WITH MONEY

Aristotle's instruction on money is on the spending of it rather than earning. The prodigal is a man who wastes his substance by throwing money away. The liberal man may err in spending too much but knows how to properly spend. The opposite of prodigal is mean or cheap. Of more wealthy men they may be vulgar or magnificent. The vulgar shows his spending in a public way. The spending reveals a lack of taste and character. Meanness is the opposite. The magnificent man spends like an artist. "...the expenses of the magnificent man are large and fitting. Such therefore are his results..." (Book IV, Chapter 2) One can show taste and character by spending large sums of money well. Aristotle recommends great works of art! In short – if you have it show your taste with it.

PRIDE

"Pride goeth before the fall..." is a quote we know but Aristotle didn't. For him pride is a virtue and essentially means knowing your place.

The proud man, then, is an extreme in respect of the greatness of his claims, but a mean in respect of the rightness of them; for he claims what is in accordance with his merits, while the others go to excess or fall short (page 383)

Vain and unduly humble are the extremes. But "...the proud man since he deserves most, must be good in the highest degree." (Book IV, Chapter 3)

The goods of fortune are also thought to contribute towards pride. For men who are well-born are thought worthy of honour, and so are those who enjoy power or wealth; for they are in a superior position, and everything that has a superiority in something good is held in greater honour. For without virtue it is not easy to bear gracefully the goods of fortune; and being unable to bear them, and thinking themselves superior to others, they despise others and themselves do what they please. (page 385)

There is a real sense in Aristotle at knowing who you are. Since most of Aristotle's students come from wealthy or powerful households, the instillation of virtue in these young men is particularly important.

As related, virtue is proper ambition which is the drive to achieve that which one is capable. Through pride and ambition fellow men confer honor which brings happiness. A corollary of Aristotelian virtue would not allow one to be promoted over one's head.

GOOD TEMPER

Good temper is a mean with respect to anger. Those who are not angry when they should be are fools.

The man who is angry at the right things and with the right people, and further, as he ought, when he ought, and as long as he ought, is praised. (page 389)

He who does not get angry, he is thought unlikely to defend himself and to endure being insulted and put up with insult to one's friends is slavish (Book IV, Chapter 5)

Aristotle's description of hot tempered is funny:

Now *hot-tempered* get angry quickly and with the wrong persons and at the wrong things and more than is right, but their anger ceases quickly – which is the best point about them. (page 390)

Aristotle says bad-tempered people are worse to live with. He says it is hard to achieve the mean but best to err on the side of making allowances.

VIRTUES OF SOCIAL INTERCOURSE

Aristotle has a way of describing people that no one likes obsequious who never say anything unpleasant and the churlish who "...oppose everything and care not a wit about giving pain." (Book IV, Chapter 6) The mean is a person of tact and grace.

The boastful claims things which bring glory but he doesn't have, but the man living by the mean "...is one who calls a thing by its own name, being truthful in both life and in word... And falsehood is in itself mean and culpable, and truth noble and worthy of praise." (Book IV, Chapter 7) Aristotle is particularly scornful of the one who boasts (lies) for economic advantage.

Those who disclaim trifling and obvious qualities are called humbugs and are more contemptible; and sometimes this seems to be boastfulness, like the Spartan dress; for both excess and great deficiency are boastful. But those who use understatement with moderation and understate about matters that do not very much force themselves on our notice seem attractive. And it is the boaster that seems to be opposed to the truthful man; for he is the worse character. (page 394)

Aristotle is clearly contemptuous of mock modesty which is also boastful, Spartan dress was to Aristotle overly simple - a form of boastfulness.

JUSTICE

"And... justice is often thought to be the greatest of virtues" (Book V, Chapter 1) Justice in Aristotle's mind, brings everything together. All other virtues are in isolation but justice brings everything together. The discussion also brings the Ethics together with the Politics. A rational political system will encourage to some extent or force virtuous behavior on the citizenry. Law, our discipline, is to a great extent the enforcer of virtue.

Now the laws in their enactments on all subjects aim at the common advantage either of all or of the best or of those who hold power, or something of the sort; so that in one sense we call those acts just that tend to produce and preserve happiness and its components for the political society. And the law bids us do both the acts of a brave man (e.g. not to desert our post nor take to flight nor throw away our arms), and those of a temperate man (e.g. not to commit adultery nor to gratify one's lust), and those of a good-tempered man (e.g. not to strike another nor to speak evil), and similarly with regard to the other virtues and forms of wickedness, commanding some acts and forbidding others; and the rightly-framed law does this rightly, and the hastily conceived one less well. (page 399)

Books IV, V and VI of the Ethics discuss the ethics of proportionality. Aristotle goes into mathematical models to describe his theories of proportionality. Essentially from the business point of view he discusses the distribution of wealth in a just society.

This is why all things that are exchanged must be somehow comparable. It is for this end that money has been introduced, and it becomes in a sense an intermediate; for it measures all things, and therefore the excess and the defect – how many shoes are equal to a house (or for a given amount of food) must therefore correspond to the ratio of builder to shoemaker. For if this be not so, there will be no exchange and no intercourse. And this proportion will not be effected unless the goods are somehow equal. All goods must therefore be measured by some one thing, as we said before. (page 408–409)

He discusses money as a medium of exchange and an indication of the justice of economic exchanges. Reading our modern interpretations into his writing we could argue that if Aristotle thought in our terms, that money represents a medium of transfer and valuation. If in a free society, which the Greek states were more or less, one's wage and an agreed transfer price for shoes medical services, corn, or instruction then this was a social exercise of the virtue of justice. In the news of the day (March 12,1999) it has been announced in print and electronically that the cost of education continues to increase more than that of other goods and services. There is little doubt that Aristotle would view this as a general exercise of virtue of justice. Did Aristotle