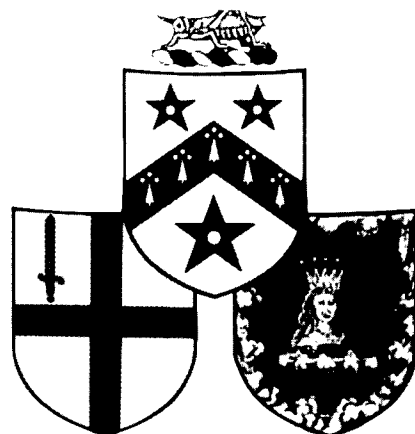


*G R E S H A M*  
*COLLEGE*



**THREE ETHICAL ISSUES IN BUSINESS:  
MORAL VIRTUES**

Three lectures given by

**THE REVD. PROFESSOR JACK MAHONEY SJ MA DD FRSA**  
**Mercers' School Memorial Professor of Commerce**

Lecture 1 - 18 November 1992  
CONFIDENTIALITY

Lecture 2 - 25 November 1992  
LOYALTY

Lecture 3 - 2 December 1992  
COURAGE

# GRESHAM COLLEGE

## THREE PUBLIC LECTURES

on

### THREE ETHICAL ISSUES IN BUSINESS: MORAL VIRTUES

#### Confidentiality - Loyalty - Courage

by The Revd Professor Jack Mahoney SJ MA DD FRSA,

Mercers' School Memorial Professor of Commerce at Gresham College

delivered at Gresham College, Barnard's Inn EC1

November - December 1992

#### CONFIDENTIALITY

In previous Gresham College lectures which I have given on business ethics over the past five years, I have tended to concentrate on ethical problems which can arise at particular stages or in particular areas of business, such as advertising, or Third World markets, or else on identifying the various corporate and social responsibilities of businesses and business people. In other words, I have devoted my and my listeners' attention to various ethical choices, dilemmas and challenges which can arise in the conduct of business. This attention to analysing and resolving typical situations and the ethical challenges which arise from within them forms a long tradition in the history of ethics. It is in fact the presupposition underlying the development of the various major ethical theories of utilitarianism, deontology or duty ethics, natural law and human rights ethics, all of which are aimed at identifying the solutions to ethical dilemmas and choices.

In the history of western ethics, however, there has also been another tradition, which has been lost to view since about the time of the Enlightenment and the Age of Reason, and which is in process of being recovered today by some philosophers and theologians. It is the tradition which directs our attention not to what is the right thing to do in certain situations, or how to work out rationally what is the moral action which is called for in such situations. This tradition instead focuses on the moral agent, on the person who is faced with moral choices to make, and on the personal resources which he or she possesses or may come to pos-

sess which will enable them to make the correct choice in the various situations in which they find themselves. If the previous type of ethical thinking is becoming known today as 'quandary' ethics, or - as I prefer - 'issue ethics', then increasing attention is now being given again to the ethical thinking and reflection which goes by the name of 'virtue' ethics, or 'character' ethics. It directs our attention not just to questions about what is the ethical thing to *do*, or how are we to *act* ethically, but what does it mean to *be* an ethical sort of person.

For instance, when we consider such an important theme as justice in business, one typical question which we can ask is 'what is the just thing to do, the just course of action', looking outside ourselves, as it were, to the situation which we want or would like to bring about, namely, that justice is done and others are treated justly. But we can also ask ourselves how in such situations we can or should act justly; and here we are looking not just at the final ethical result of our action, separate from ourselves, but rather more at ourselves as moral agents, at our behaviour in seeking to act or behave justly, and the way in which we personally bring such a just situation into existence. And finally, we can talk not only about actions being just, and about people acting justly, but also about business people themselves *being* just, in the same way as we can also talk on the one hand about the ways in which confidences should be respected and on the other hand about people being respectful of confidences, or on the one hand about the loyal thing to do and

on the other hand about people being loyal; or about the courageous thing to do and about people being courageous. In other words, we have now moved from considering what should typify or characterise the various states of affairs which we bring about, or situations which we create, to looking at various personal qualities, or virtues, which people may be considered to possess, qualities which may well influence them as they consider which situations to create or which states of affairs to bring about. It was with this distinction in mind, as well as these recent developments in modern 'virtue' ethical thinking, that I decided in this course of Gresham lectures to explore the three topics of confidentiality, loyalty and courage as issues which are highly relevant to the pursuit of ethics in modern business.

If we are to talk about virtues as they apply to business people - and also by extension to business companies - then it might help to be clear about what we mean by them. From one point of view a virtue appears to be a permanent disposition to act in a particular way when faced with various situations, almost as it were, in a significant phrase, as if it were 'second nature' to act in such a way. This is why some writers refer to virtues as habits. Good habits, that is; bad habits are what we mean by vices. It can also be suggested that a virtue is a sort of moral skill, an ability to deal with various situations with a certain measure of facility, or at least without too much difficulty. And talking of virtues as skills also brings out the fact that a virtue is not just a matter of knowledge. I may well know how to make an omelette, or drive a car, because I have read an article or a book on the subject and can discourse eloquently and boringly about it. But that doesn't necessarily mean that I actually can make an omelette or drive a car; actually to be able to do it requires not just knowledge, but also familiarity and practice in acquiring the ability to do it. And one final general point about virtues is that it would be a mistake to concentrate on seeing them just as personal resources which enable us to act or behave in certain ways. They are also personal qualities or attributes, aspects of the individual who can not just act justly or generously, but who actually is just or generous. For many people the possession or the pursuit of virtues as such personal qualities or endowments sums up what it means to live a good life, or actually to be a morally good person, which they would view as the ultimate in human flourishing and indeed what essentially constitutes human happiness.

## II

How does all this fit in with the subject of my first lecture, confidentiality? Let me consider first the range of situations in the conduct of business which raise issues of confidentiality, about the keeping of confidences, if we are to take the word literally. It would be interesting to know in an audience of this nature what first leaps to mind when the notion of confidentiality in business is mentioned. Insider dealing? Intellectual property? Personnel records? When I was a youngster I was fascinated by an illustration in a child's encyclopaedia of an enormous steam engine throbbing with massive confident energy, which carried the caption 'knowledge is power.' And, of course, that equation between knowledge and power has taken on even greater significance in a post-industrial age of information technology which is so characterised by the accumulation, exchange and application of knowledge whirring around on computer discs and whizzing round the globe by satellite. In *A Midsummer Night's Dream*, Puck promised to 'put a girdle about the earth in forty minutes.' But now, of course, the girdles and networks connecting London, New York and Tokyo, not to mention head office and its world-wide branches, operate in more like forty micro-seconds.

Three basic ethical questions seem to arise relating to the whole realm of knowledge and information as it applies in business. One is how the information is acquired; another is what uses it is put to; and the third and perhaps most fundamental is the increasingly complex question of who owns various items of information, whether we are talking of personal information or of corporate information of a confidential or sensitive or proprietary nature. Perhaps we can sum up all these types of information under the general heading of secrets, and accept Sissela Bok's definition of a secret (*Secrets*, 1984) as a piece of information which is intentionally concealed. If we accept that definition, then we will not be impressed by what has been offered as the Roman definition of a secret as something which you tell people only one by one!

Of course, there are various types of secrets, as moral philosophers and theologians have identified them over the centuries. One obvious distinction relevant to our purpose is that between *personal* secrets and *trade* secrets. Another is between a *professional* secret, information shared with a doctor or lawyer or priest on condition of non-disclosure to others; a *promised* secret, or an undertaking given to keep secret something already known or already discovered,

perhaps by accident; and what has been called a 'natural' secret, that is, information acquired or possessed about another person about which no promise has been made, but whose disclosure to others would be harmful or offensive to that person.

Ethical discussion of secrets tries to balance considerations justifying the keeping of secrets with considerations arguing for divulging them. There are basically two types of argument justifying the observance of secrets and confidences, one based on the consequences of not preserving confidentiality, and the other based more directly on how we ought to behave towards other persons. It is a strong argument to maintain that secrets should be respected in order to preserve a public atmosphere of trust in which people can rely on each others' confidentiality in privileged situations in order to be helped and advised, or on people not abusing trust in order to take unfair advantage of others, or on enabling and encouraging businesses to conduct expensive research from which they are entitled to profit by having a leading edge in information and thus a competitive advantage. Quite apart from these arguments based on the consequences of not respecting secrets, there are others directed more at establishing that we have a duty to preserve secrets, either because we may have promised to do so, or because only in this way can we respect the autonomy and freedom of others, or because to divulge secrets may cause harm or offence to those over whom we have such power.

By the same token it is also possible to argue from similar considerations that secrets should be divulged, whether in the public interest, or in the interests of third parties who may be harmed and offended, or simply because certain parties have a moral right to information which is being kept secret from them. It seems to be as a result of these latter considerations that the USA has its Freedom of Information Act (1966, 1974) so far as concerns government information, including its dealings with business. And in this country it has recently been observed by more than one commentator on the mess surrounding Matrix Churchill that if the UK had similar legislation, then this whole web of deceit would not have been possible.

### III

Perhaps it is helpful - and high time - to descend to particulars and consider how these various considerations apply in business, by looking at confidentiality, or respect for confidences and

confidential information, within the business company. One of the debated areas here is how much a company needs to know or has a right to know about the private lives of its employees or its potential employees, or indeed how many people in the company need to know even all of the employment details relating to individuals. Much of the thinking in this area applies a 'need-to-know' criterion, and that is good so far as it goes. But how is 'need' to be defined? Perhaps the best answer is to draw an analogy with the handling of problems of discrimination in employment and promotion in terms of applying only job-related criteria, and to use the same job-related principle to control the need for employee information in terms of their particular job-description.

What such an approach presumes is that there are areas in everyone's private life to which business has no right of access, whether it has to do with life-style, sexual preferences, religious or political affiliations, or alcohol or drugs use. To seek and make use of information in these areas, it is argued, is an invasion of privacy, particularly in matters where the individual may be personally vulnerable or insecure. Even when the seeking or use of such information may not be potentially harmful or offensive, it is at least an assault on the individual's autonomy, or personal control over who should have access to what he or she considers important information about himself.

Yet the division between personal life and working life is not always so clear cut as this line of argument would appear to imply. For at the very least there can sometimes be carry-over effects from the personal to the corporate area of one's life. Difficulties in private relationships, drug or alcohol dependency, or religious duties or obligations cannot always be left at home. Consequently, what appears to be required, in addition to job-related criteria, in order to justify the seeking and use of personal information is a further criterion in terms of adequate job-performance. This on such 'carry-over' occasions can justify the request for explanatory, even if personal, information if the individual in question wishes to be considered for continued employment despite inadequacies in performing their contractual duties. This weakening of the division between private and corporate life can also be turned to good advantage for the individual if corporate support procedures or programmes can be offered in order to provide help in personal difficulties which also redound on work performance.

It may be, of course, that an employee will volunteer personal information which they con-

sider relevant to their performance and is felt to be owing to their employer, but if so the at least tacit condition must be that this is still on a 'need-to-know' basis, and should therefore be treated as restricted information. In either case, whether details of one's personal life are requested or volunteered in order to explain reduced efficiency or other behaviour harmful to the firm, the further problem arises of how widely such information should be divulged, and whether there are sufficient procedures in place to safeguard the information in question. It is not only, then, corporate or trade secrets which raise questions of unauthorised access, whether through computer 'hacking' or by more traditional means of breaching security, but also personnel files and records. This is where the subject of confidentiality raises issues not just about particular cases or situations but also about the importance which the company attributes to individual confidentiality and security of personal information as a matter of principle and corporate policy, if it is to be considered genuinely trustworthy by its employees, and to merit such respect being reciprocated.

#### IV

The other major area of problems concerning confidentiality within a business relates, of course, to what I have called trade secrets, as contrasted with personal secrets. Here there is no lack of particular applications of the arguments both in favour of preserving confidences and in favour of divulging them. I suppose the stress on trade secrets is a particular feature of the market economy, and needs no place or consideration in command economies, at least within the economy, though it will retain its justification vis-a-vis other economies and markets. Where there is no competition, at least in business terms, there is no need for competitive edge or for protecting sensitive information. But in the market context there seems a good case to be made for a company wishing to make the best use possible for its own purposes of information which it has spent heavily in acquiring. Similarly, apart from protecting the potential exploitation of such strengths, it also appears that a company is ethically entitled to safeguard its weaknesses or its flanks when it is in a vulnerable position. It is now generally accepted that insider dealing is not only criminal now that it has been made unlawful, but also that it is in principle unethical, and always has been, in making unwarranted use of privileged information about a company, in depriving others of

future legitimate profit on a level playing field, and in undermining public trust in the stock market. Similarly, various procedures also appear warranted, at least for a time, to prevent harmful use being made of information crucial to the future welfare of the company which departing employees may take with them, not in their briefcases but in their heads.

However, a cloak of secrecy can cover many other items of information as well as those which are sensitive in terms of being potentially advantageous or harmful to a business. Here again the criterion of 'need-to-know' may be useful in identifying the extent to which others outside the company may be entitled to information. Again, however, equally useful would be some criteria by which to identify the 'need' in this particular case. Obviously, the needs of other companies will not suffice, even if they are being harmed commercially through not knowing what a competitor or rival is up to, or has on the drawing board. Nor, obviously, would this justify them in seeking to acquire such information through bribery, industrial espionage and the like. The criteria of need will have to be more public and widespread in society than that. One obvious example is when the activity or planned activity of a company is positively dangerous and may call, in the eyes of some employees, for whistleblowing, a subject which I shall be treating in my next lecture in addressing the topic of loyalty.

Perhaps a less obvious example is when a company persists or insists on keeping secret some information which if made public would be positively advantageous and beneficial to society as a whole, for this raises the question of whether, as de George expresses it (*Business Ethics* 1986), 'every advance in knowledge is social' and ultimately belongs to society. How long is a business entitled to preserve its competitive advantage in order to recoup its expenses and make a profit? And when does insistence on confidentiality become ethically excessive? A similar question can occur in relation to patents and copyrights, where on the whole reasonable limits are placed by law on the time during which the work in question can be protected and its originator can profit. But in genetic research, a field enormously rich in financial promise, to take one public example, the growing fashion of patenting isolated items of genetic information is in serious danger of delaying, if not discouraging, the entire human genome project which requires the fullest international cooperation and the freest exchange of results and information if it is to meet expecta-

tions and make substantial contributions to the progress of medicine. Other perhaps less esoteric instances are the possibility of a breakthrough in the treatment of AIDS and the extent to which such information could ethically be restricted for the purposes of financial gain, or the development of a cheap alternative to petrol, given the dire social results which the internal combustion engine is inflicting on the environment and society.

## V

As one surveys these various instances of confidentiality in business in relation to personal and to corporate secrets it is possible to work out what is or might be the right thing to do in each instance, whether by individuals or by corporations. However, the recovery of virtue ethics with which I began has also served to bring out the fact that such typical instances are not just isolated disparate situations. Together they form part of the whole context in which business operates whether in the life of individuals or in the continued existence and activity of a firm. And the same may be said of the solutions which are explored and chosen for such situations. Those solutions are not just different ways of bringing about the right state of affairs. They are also activities, possessing a carry-over effect from one situation to the next, and at a deeper level pointing to a continuity in the life of the individual or the company. As such they inevitably raise questions about the individual or the company itself, in terms of what habitual

skills or qualities it possesses or comes to acquire. Ultimately, consideration of confidentiality or of respecting confidences in various situations takes us back to consider the agent of such actions, and how it can develop the skills habitually to be a respecter of confidences, while at the same time possessing the ability or agility to recognise when the time comes to accept that other considerations may or must be taken into account. To think and talk of people in such terms rather than just of the states of affairs they may feel obliged to bring about gives a much richer texture to the study of human ethics and does much more justice to it as a human enterprise. In like manner it may also be said that to think of businesses in terms of equivalent corporate qualities and excellences enables us to decide whether or not it does more than conduct good business. It enables us to say whether or not it is a good company in ethical terms and in all its activities.

It is a pity that we have lost in English the mediaeval term 'trusty' to describe more than one's trusty sword or one's trusty steed. For it points in more attractive terms, or at least I think so, to what we tend to mean when we describe someone as 'trustworthy': reliable, dependable, admirable. Those would be no bad terms to describe not just individual employees, but also business companies. If a business can show itself to be such in this area of confidentiality we may have good grounds for surmising that such reliability and dependability will also manifest itself in its other activities in the conduct of its business.

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## LOYALTY

In my previous lecture on Confidentiality in this Gresham series on Three Ethical Issues in Business I began by describing how recent work in ethics has moved from seeing it as simply the study of which actions to perform or the bringing about of desirable situations outside ourselves. Increasing discussion is taking place to recognise and recover the ethics of character and virtue as moral skills in the ethical agent which are also at the same time personal excellences and part of what many people mean by the good moral life. And I concluded by suggesting that the virtue of confidentiality, or the ability habitually to respect the confidences and secrets of others, is an ethical quality which can apply not only to individual members of a business firm, but also to the firm as a whole. If

it can, then this is a perhaps essential indicator as to whether or not the firm as such can be considered characteristically and habitually trustworthy in all its dealings.

## I

One of the objections easily raised against viewing ethics in terms of the virtues as personal qualities and skills, or of concentrating not on what is the ethical, just or trustworthy thing to do but on actually being ethical, just and trustworthy, is that it can lead to one's being self-centred, concentrating more on cultivating one's moral garden than on how one's actions and decisions actually affect other people for

good or ill. In a sense it is the obverse of the ethically questionable view that it doesn't matter *why* people do the right thing as regards others, so long as they actually *do* it. And possibly the same charge of introspective perfectionism could be laid against business corporations concentrating on their ethical standards, polishing their corporate image, and thanking the Lord that they are not as the rest of businesses!

This charge of egoism, whether personal or corporate, however, is fairly easily rebutted by recognising that there is a closer interconnection than it presupposes between the sort of person, or company, one is and the sorts of things one actually does. There is, in fact, a cumulative snowball effect about being and behaving, many virtue ethicists would maintain, in that as one performs ethical actions and responses to situations one becomes more ethical, one acquires the appropriate moral skill; and this in turn leads to performing further ethical actions with increasing familiarity and facility almost without stopping to think, as a matter of moral course, or as I said in my first lecture, as a matter of second nature. In this view, virtues are *both* admirable qualities of the moral agent *and* dispositions leading to his or her performing virtuous actions.

Morover, and this brings me to the subject of this second lecture, the risk of self-perfectionism, or ethical navel-gazing, is countered by the consideration that some of the moral virtues which people most admire are precisely qualities and dispositions which are concerned with how we relate to other people in society and to various social institutions, as well as to our society as a whole. Loyalty is such a virtue, a moral disposition and skill in the ethical agent which is also profoundly concerned with that agent's habitual inclination and willingness to serve something other than itself.

## II

Loyalty, of course, can take many forms and be given to many objects. At a national level it is often expressed as allegiance, whether to the flag of the United States, or to a monarch. A highly topical case in point may be the almost instinctive reaction to the recent Windsor Castle fire on the part of members of the government who announced that, of course, the nation would meet the costs of repair. But it is evident that such promptings of deep-seated loyalty, or at least the form which they take, are not shared by all of Her Majesty's loyal subjects. Socially

one can also be a loyal adherent to a cause, or a movement or an ideal or an idea. At more personal levels loyalty can be spoken of as fidelity or being faithful, as to a friend or a spouse. In many cases loyalty also seems to have about it an element of tenacity in adversity, which is often what seems to make it particularly admirable, whether in sickness or in health, or through thick and thin, or even 'my country, - or my company? -right or wrong.' And this in turn may lead us to conclude that the idea of loyalty can often entail an element of self-sacrifice, or of subordinating one's own interests to those of the object of one's loyalty.

This, however, raises one conspicuous problem for modern business which is often expressed in terms of loyalty: the issue of 'whistle-blowing', and the degree to which such behaviour is described - and condemned - as disloyalty to one's firm or one's employers or one's colleagues. The standard conditions for engaging in ethical whistle-blowing, if it is considered ethical, can be readily identified: the need to be honest about one's motives; the care for accuracy of information and for clear proof; the nature and scale of the harm in question if nothing is done to prevent or discontinue it; the exhausting of all normal channels and internal procedures; and the likelihood of success, particularly when balanced against other damaging consequences for some or all of the parties involved, including the whistleblower and his or her dependents.

Other aspects of the issue can be briefly identified also. One is the fact that a business which suffers from a justified case of whistleblowing may have only itself to blame, either because it is guilty of the charge or because it does not have in place various procedures to consider and remedy what it stands accused of or to obviate the need for an employee to go public. Another concerns the various negative ways in which a firm may behave towards actual or potential whistleblowers in the various steps it may take to neutralise them, or to discredit or penalise them, or to deter others from acting in this way. And this in turn raises a further consideration relating to the support, or lack of support in the face of corporate opposition, which those who blow the whistle, or are contemplating it, can expect from their professional association or trade union or from other bodies in society. In this connection it will be interesting to see how the NHS provisions which have been drawn up for nurses will fare when it comes to the test. Finally, and more generally, there is the problem of how businesses, and society, can encourage

and recognise genuine public-minded whistleblowing without at the same time encouraging irresponsible or intrusive activity and creating a damaging climate of widespread mistrust.

It may be possible to note an interesting cultural difference in the way in which the subject of whistle-blowing is treated in this country and in the USA. Some American literature in defence of whistle-blowing appears to place strong emphasis on the right of free speech and on the right to criticise, and this line of argument may be at least partly explained as part of a cultural pattern in many areas of social communication of appealing to the Amendment to the American Constitution guaranteeing freedom of expression. Other arguments on the subject, however, concentrate on examining the charge of disloyalty which is frequently levelled against whistleblowers, and in doing so they do not just give expression to a conflict which has to be resolved in such cases between the value of loyalty and the value of freedom. More usefully, they direct ethical attention to the conditions of loyalty in the first place; and in particular to whether there can be ethical limits to loyalty. To phrase and address the dilemma in this way, I suggest, is already to incline towards the thoughtful answer that, yes, surely loyalty does have ethical limits.

Loyalty is a social term. It describes one's commitment to a particular group or community, and we can each have as many loyalties as we have communities to which we belong, whether it be our country, our family, our work, our church, our profession or our various recreational associations. As I observed in a previous Gresham lecture on 'Conflicts of Interest' (March 1991), in some ethical dilemmas the choice is 'not one between loyalty and disloyalty to one's organisation. It becomes a conflict of loyalties, with the choice to be made between loyalty to one's employer or organisation and loyalty to the wider body of society.' Is it possible, then, to speak of a hierarchy of loyalties, or a priority of loyalties? In the political arena we can speak of loyalty as patriotism, and this might help us to learn something about loyalty in general from the various forms which patriotism can assume.

### III

Dr Johnson is famed for declaring roundly that 'Patriotism is the last refuge of a scoundrel', by which I take him to mean that when all other

reasons for acting in a particular way have been exploded and discredited for what they are, one can always finally plead that is in the national interest, or for the good of one's country or its balance of trade. I wonder what pungent comments the irascible doctor might have made on the behaviour of the leading figures in the current Matrix Churchill debacle, and on one particular patrician defence about being 'economical with the *actualité*.' Yet patriotism is a potent and honourable ethical motive for many people, indicating a pride in one's identity in belonging to a particular culture, a sense of inheriting and valuing its historical achievements, its symbols and its rituals, and a commitment to one's country's best interests which might well include a willingness to subordinate or sacrifice one's own interests. Of course, the American Protestant theologian, Reinhold Niebuhr, was also sceptical of the value of patriotism, not just as Dr Johnson's ultimate pretext for one's personal misbehaviour, but as providing a plausible cloak for collective selfishness and group egoism.

Without necessarily agreeing with Niebuhr's pessimistic account of how human ethical standards degenerate in collective activities, we can readily agree that loyalty as patriotism can lend itself to various abuses, particularly when it becomes an ideology proposing itself as the supreme human value dislodging all others, and requiring absolute and total commitment in every area of living, as we have seen until recently in the Communist Eastern bloc, and are witnessing today in the Balkans and parts of the Middle East. Then patriotism, or esteem and love for one's country, takes on the sharper and more aggressive features of extreme nationalism, or hatred of others. If loyalty can take such forms of fanaticism and absolutism when applied to the major social grouping of nations and countries, then perhaps it shows us as on a giant screen the abuses to which loyalty when it is blind or misguided can also lend itself even when applied or appealed to on a smaller scale, including the interests of one's political party, one's social class, or one's business corporation. And at the level of individual business employers and of one's colleagues in the office or the workplace the appeal to loyalty shorn of any other considerations can be equally short-sighted and unethical in its absolutist presuppositions and pretensions. There was, for instance, no doubt a certain amount of truth in the claim of the American businessman that 'what's good for General Motors is good for the country', but it was not the whole truth. Protectionism in trade or in such industries as



farming and steel, which is proving so intractable an obstacle to the development of the Single Market and the current GATT Round, is not simply an economic issue. It uncovers deeper considerations about how to relate short-term gains which are sought out of excessive or restricted loyalty to long-term aims of clear-eyed and expanded loyalty, and also about how self-interest, whether at an individual or sectoral or national level, can be reconciled with a wider sphere and outreach of loyalty.

#### IV

Quite apart from what may be considered the paradigm case of whistleblowing as a challenge to one's understanding of the claims and limits of loyalty, the subject can also give rise to two other less dramatic, but no less ethical issues. One is at the macro-level of business in relation to society, and the other occurs at the micro-level of the individual in relation to her or his business firm. Can the claims of loyalty be directed in any meaningful sense to multinational or transnational corporations and so influence their behaviour? Transcending loyalty to the corporation and even loyalty to one's national home base or origin is it possible, or helpful, to consider whether there are claims of loyalty, not just to a multinational company, but also and more importantly to a multinational community? As business horizons widen, can they be accompanied by a widening of human horizons also?

With his usual elegance Francis Bacon expressed the view that 'if a man be gracious and courteous to strangers, it shows he is a citizen of the world.' And perhaps it has taken the exponential achievements of business, even more than the exhortations of religion, to accept that today the term 'stranger' is in process of being eliminated from our vocabulary. For it could be argued that the move to a global economy is both in process of creating a global community and at the same time reliant on the pre-existence of such a community of shared interests and aims. It might be counter-argued that to invoke the idea of loyalty on such a cosmic scale is to attenuate it and empty it of any practical significance. After all, some people in England are experiencing considerable difficulty in coming to terms with the possibility and the practical implications of belonging even to Europe! Yet the question needs to be increasingly considered that, just as at a national level business is expected to recognise its rightful and responsible role in society, so also

business conducted at continental and global levels has social responsibilities to the continental and the global communities of which it is an integral part. These are ethical responsibilities which can also be expressed in terms of loyalty, with the aim not just of respecting the claims and aspirations of various sectors of society around the globe, but further of promoting and pursuing their best interests as in fact and in prospect constituting a world community. Then Bacon's idea of being a 'citizen of the world' might come to take on a more specific content and provide an ethical purchase on those businesses which are most to the fore in world trade.

At the more intimate level of how individuals relate to their particular firm or corporation, there can also arise problems for loyalty, if the company is engaging in policies or practices or behaviour with which individual employees may find themselves out of sympathy on ethical grounds, but which fall very far short of resorting to whistle-blowing, or the somewhat less dramatic, but still major, resort of seeking employment elsewhere. How does one's loyalty fare in such situations? At the beginning of my lecture I suggested that loyalty seems to have about it an element of tenacity in adversity. This supportive role of loyalty when applied to business will carry with it the disposition not to cut and run when things get financially bad but to rally in support, and help to see things through so far as possible. The situation is quite different, of course, when the weaknesses of the company are not trading or financial, but ethical, and when the question of support takes the form of whether a 'warts and all' commitment to one's employer or colleagues is ethically acceptable. Much depends, of course, on how widespread or pervasive the lack of ethics in particular respects may be, and whether it can be considered to be balanced, or more than compensated for, by other more admirable traits of the company as it goes about its business. Much may also depend on the extent to which the company allows for and takes account of what in government is referred to as Her Majesty's loyal opposition; that is, to what extent a firm is prepared to brook constructive ethical criticism and is sufficiently responsible to take serious note of it. If such an atmosphere exists then it may provide an overall ethical context in which ethical differences will at best be recognised as legitimate differences of ethical opinion, and at worst as tolerable and acceptable, thus providing room for loyalty entailing an element of self-sacrifice, or of subordinating one's own interests, including one's

ethical ideals and standards, to the interests of the object of one's loyalty - at least for the time being. For in many such cases the loyal course of action may be to stay with it and work from the inside to try in time to improve the situation or the ethical standards of others. It might even be that such a determination could be a condition of accepting the status quo with integrity and not surrendering to a mood of moral fatalism.

## V

These observations, however, must surely raise a final consideration in this examination of loyalty in business. What has loyalty or commitment to do with one's employment and one's employer or one's place of work? The point can be made that a business company is just that, a company in business and a legal entity; and that how it conducts itself and how it regulates the behaviour of its employees is a matter for contractual agreement and the law of supply and demand, rather than for the nebulous and unwarranted expectations of loyalty. Again, there is much truth in this; but it does not appear to be necessarily the whole human truth. A business company can also be a group of people in which we may invest a large proportion of our active years, in which we may form ties, friendships, partnerships, even sparring partnerships, and not just with peers but also with others at different levels in the firm. Various writers are surely correct in warning against distorting the purpose of a business organisation from its primary aim by considering it a sort of surrogate for human welfare. Yet, taken to extremes, this seems an unnecessarily reductionist view of a business firm, as of any public organisation. It still remains possible to regard a business also in some significant sense as a human community, in which its members may enjoy, in addition to its economic benefits, a sense of worthwhile achievement, of some measure of human fulfilment, and even of social identity.

It might then be possible in human, as contrasted with legal, terms to see the attitude of such employees to their firm in terms of gratitude for providing the conditions in which such fulfilment and self-identity are made possible. And it might also be possible to formulate such gratitude in terms of loyalty, as I have been analysing this. If so, however, there appears to be a built-in condition to such gratitude and loyalty; that the business actually does provide such conditions, and therefore that

it earns the loyalty on which its particular success may depend and to which it may on occasion be able to appeal. For commitment, at least in business, is a two-way street; and the company which does not manifest commitment and loyalty to its members, or to its customers or suppliers, for that matter, does not appear to have any grounds for expecting it in return, far less for requiring it.

An interesting recent development in the study of Business Ethics which appears to harmonise with this identifying of the nature and role of loyalty in business may be found in the treatment of what Laura L. Nash, in her book *Good Intentions Aside* (Harvard 1990), calls 'the covenantal ethic.' The idea deliberately echoes the social contracts which the early New England communities established for the mutual well-being of their members. According to Nash, such a Covenantal Ethic as she develops for business 'deliberately draws on some of the nonrational impulses, such as "caring," which secure people's commitment to organizations and tasks even when doing so is not obviously to their immediate advantage....[In business] morality has been a question of legal obligation, a weighing of rights, a cost-benefit calculation of consequences. A Covenantal Ethic does not preclude these kinds of thinking, but it also draws on the workings of the heart.' She goes on to observe that such an 'approach to ethical problem solving is a covenant because it involves values and attitudes which cannot be totally accounted for in legal contracts.' Insofar as she thus views the covenant model as a new method for ethical problem solving, Dr Nash may be considered to be moving within the field of 'issue ethics' rather than the field of 'virtue ethics', which I have been exploring. Nevertheless, the whole idea of Covenant, which goes behind the early Protestant communities of New England to the whole Judaeo-Christian tradition, implies fixed and stable relationships not just of mutual interest, such as one finds in legal or commutative justice, but of mutual respect and regard. And it is correspondingly possible to explore the qualities of such mutual relationships in terms of settled attitudes and dispositions in all the parties concerned, qualities which on reflection turn out to be moral habits of behaviour and admirable qualities, or virtues, in the various parties to the covenant.

Finally, this idea of virtues being habits of behaviour in the various interrelating parties raises the question of whether the virtue of loyalty can also apply to companies in any meaningful sense. You will recall that, if loyalty is a virtue, then it is not just a matter of

individual or isolated acts of loyalty. It is more a settled disposition and attitude of commitment in the individual which will lead him or her to react as a matter of course in a whole variety of situations, great and small. Can we speak of a business company as possessing the virtue of loyalty in comparable terms? If we view virtues as traits of character and almost automatic responses according to settled or acquired patterns of behaviour, then perhaps a parallel to the loyal individual is to be seen in the company which has created and maintains comparable and practised patterns of behaviour, and

structures which are automatically triggered to swing into action when the interests and needs of its members are involved or at risk. In other words, perhaps the corporate version of the virtue is the proactive company which has equipped itself to do the loyal thing by its members as a matter of second nature, without starting from scratch every time, and doing so without undue effort or difficulty. This, after all, is what we mean by a virtue, and in this case by the corporate, as well as the individual, virtue of loyalty.

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## COURAGE

In this series of Gresham lectures, as well as looking at some fairly recurring ethical situations which can crop up in the conduct of business, such as keeping secrets and confidences, or whistleblowing, I have also been concerned to explore some recent developments in ethical thought and how these can apply in the field of business ethics. I have suggested that the recovery of virtue and character ethics can help us to explore the sorts of qualities and moral skills which are thought desirable, not only in individual business men and women but also in business companies. I have explored how these qualities do not just enable people and companies to bring about desirable situations; they also go to make up what we mean when we describe individuals and organisations as being virtuous and admirable not just in what they do, but also for what they are.

The whole approach to ethical behaviour in terms of personal qualities and dispositions which equip one to bring about appropriate ethical states of affairs goes back to Plato, and to his famous quartet of what came to be called the 'cardinal' virtues on which all the rest hinge: the four basic moral qualities of prudence, justice, temperance and fortitude, which were later taken up by the Judaeo-Christian Book of Wisdom (8:7), and thus acquired immense religious as well as philosophical authority in the history of western ethical thought. It is the fourth of these, the virtue of courage, which I have chosen as my topic for this final lecture on how moral virtues and virtue theory may throw light on the application of ethics in business.

### I

One reason why I have chosen courage, quite apart from its practical applications in business, is because it seems particularly to focus attention on the character of the moral agent, and not just on what he or she does. When we consider whistleblowing, for instance, as we did in the last lecture, we can describe such an action as 'a brave thing to do', but in doing so we are perhaps more evidently than in the case of other virtues really talking about the person, and considering him or her brave or courageous for doing what they did. For there is no doubt that whistleblowing can take an immense amount of courage, and that may help us to get clear what we mean when we describe someone as courageous. The person contemplating blowing the whistle can be well aware of the risks involved for themselves and others, can experience a certain isolation from others, and can well be fearful when they consider the consequences of their action. What all this may bring out is that courage in general involves the capacity to cope with difficulties and dangers, and not to be discouraged or unduly fearful of them. As such it is a disposition to handle difficulties and risks which may well take on dramatic or heroic significance in highly critical situations, and yet the capacity to cope with dangers and difficulties also seems a desirable quality for all of us regularly to call upon in more mundane measure as we go about our daily lives or ordinary occupations, including the occupation of business.

Courage in the face of difficulties and dangers is commonly seen as the capacity to

cope with the fear which such situations can arouse in us. In his study, *The Anatomy of Courage* (Constable 1945), Lord Moran was reflecting on his medical experience during the two World Wars when he defined fear as 'the response of the instinct of self-preservation to danger', and courage as 'will-power' to handle that instinctive reaction. He was writing about the supreme physical danger of losing one's life in battle, but what he calls the instinct of self-preservation covers many other unpleasant contingencies as well as losing one's life or sustaining serious physical injury, such as the loss of one's job and one's livelihood, the loss of one's prestige or authority, or the loss of one's reputation, and so on. An earlier writer on the subject, Thomas Aquinas, expressed the view that 'fear is born of love'; in other words, fear is the apprehension of losing something that we love or value. If so, then the greatest fear we have at any time will be to lose what we love or value most at that time; and courage will be the capacity to combat that fear. As such, it may not, of course, necessarily be moral courage. A fraudster may well have the courage to overcome his fear of being caught out; or a cat burglar may need to acquire the courage to overcome his fear of heights. What seems to make the difference between such merely psychological courage or physical courage and moral courage is when the action which will lead to unpleasant consequences is itself a moral action, such as telling the truth, or keeping a promise or resisting various pressures to do something one knows or believes to be unethical.

## II

What have these reflections on courage and fear to do with business behaviour and business decisions? Quite a lot, I should have thought, without having to spell it out. No one ever claimed, I think, that it is always easy to be ethical in one's business dealings, either at an individual or a corporate level. The pressures can be considerable to act unethically, in large matters as well as small, particularly in an activity which is so result-orientated, not just for the business but also for the individuals who work for it and in it. And the difficulties and risks which are of the very nature of modern business, and the unpleasant results which could follow from failure, can place considerable strains on one's instinct for self-preservation, strains which can call for considerable reserves of moral courage when those pressures, and one's fear of them, are driving one towards

acting unethically. I'm not sure whether it is true, but I was interested to read recently the forthright verdict of *The Economist* (14.11.92) on the explanations given for the conduct of members of the British government in the Churchill Matrix mess, that 'nine-tenths of the explanation boils down to cowardice.' If it was cowardice, the absence of moral courage, then what were they afraid of losing, and what were they seeking to protect?

Moral courage, then, appears to be the capacity to do what one judges is ethically called for in the face of one's reaction to the perceived dangers and difficulties which such an action involves. Cicero usefully identified three elements of courage which again can have ready application to the exercise of moral courage in business. He envisaged such 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. He also made the important point that courage involves confronting such dangers and difficulties and identifying them realistically for what they are. In defining courage as the 'measured' (*considerata*) confronting of dangers and accepting of difficulties, he recognised that it needs to be reasoned in its assessment of the dangers and difficulties looming up or looming ahead. Part of the virtue of courage must lie, then, in accurately identifying the real enemy and not allowing oneself to be overwhelmed by vague or irrational imaginings. It will involve dispelling phantoms, such as we see at their extreme in various phobias to which individuals may be enslaved, whether irrational fear of spiders, or of enclosed places or of open spaces. Perhaps it was this sort of fear Napoleon had in mind when he said he had rarely encountered two-o'clock in the morning courage, or unprepared courage, *courage à l'improviste!*

This measured confronting of dangers, of course, is something which business knows all about, in its ways of managing risk and its familiarity with risk-benefit analysis, which is central to competition and the market economy. It is a set of skills which business could well usefully teach us all in principle, in bringing the cool light and calculations of reason to so many other human and social risky situations. It is interesting to note that one of the factors which helped post-mediaeval Europe to throw off the

Church's blanket condemnation of usury, or charging any interest at all on loans (not just excessive interest), was the recognition that the risk of loss of the capital (*periculum sortis*) is a central factor in all business dealings for which one should be entitled to charge compensation - an experience of bad debts to which some banks today seem to be particularly prone, or at least regularly plead when setting interest rates.

This consideration of calculated risks as an inherent part of realistic courage, if one is not to be deterred from action or even paralysed into inaction by ill-founded fears, raises another aspect of courage, and one which lies at the opposite pole from fear. Aristotle was, and remains today, one of the most influential thinkers in the whole area of virtue ethics, and he is perhaps best known for his argument that virtue, any virtue, lies in finding the mean between two extremes. Perhaps he was over-optimistic in claiming this in the case of every virtue, but at least in our present case of courage what his approach serves to bring out is that one's courage can be defective in two ways, one by having too little courage, as when we can be overwhelmed by fears, and the other by having too much of it, as when courage really becomes recklessness, and pays no regard or not sufficient regard to dangers and difficulties. We do not call people courageous when they take stupid risks; we call them reckless drivers, or we condemn people as rash in other fields of behaviour if they do not stop to think, or do not give enough forethought to the possible results of their actions. Paradoxical as it may sound, there may be a closer connection that at first appears between courage and caution, or equally paradoxically, proper moral courage may lie in taking due thought and care in all one's actions. It is, then, not only lack of wisdom, but also lack of genuine courage to rush in foolishly and unfearefully where even angels fear to tread!

### III

When this thought is applied to risk management as a fertile field for moral courage in business, then it raises certain ethical questions which must apply to any risk-benefit analysis. The standard components of such analysis appear to cover the amount of potential loss foreseen, the degree of likelihood of such loss being sustained, and the acceptability of such stakes and odds when they are assessed alongside the benefits hoped for or anticipated. Apart from the inherent difficulties involved in quantifying such considerations for the purposes

of comparison, and ultimately financial comparison, there arise highly pertinent ethical questions about who incurs the risk or the potential loss, who reaps the foreseen benefits, and who is properly to decide on whether the risks for such benefits are acceptable. Thus questions need to be asked about safety standards at work or in products ranging from nuclear power to children's toys and about what risks are on balance acceptable in such instances, and acceptable to whom. We cannot lightly take risks with other people's lives or wellbeing, however uncaring or heroic we may be about our own.

The Ford Pinto case has become one classic example of risks for car drivers being deliberately accepted by the manufacturer, based on the likelihood that the estimated risk of litigation in the wake of accidents to drivers would prove less costly to the company than the certain costs of redesigning the product. We may call that a business decision, or an example of sensible bean-counting, as it was described in the recent film, *Class Action*, based on the case. But it is also a decision which has been widely condemned for its ethical callousness. Perhaps even more morally reckless was the decision of some government and health officials in France in 1985 who deliberately and knowingly went ahead with issuing HIV-contaminated blood products to haemophiliacs, and by their actions of criminal negligence accepted not just the risk of being discovered and brought to justice, as is happening, but also accepted the deadly risks to the recipients, of whom more than 150 have since died of AIDS. And for what? Less dramatic and nearer home may be the case of Big Bang and deregulation in the City of London, and the ethical reflections which arise on what appear to have been the reprehensible miscalculations of many firms rushing in, as well as on the subsequent fall-out for many firms and their personnel as the reverberations of Big Bang subsided.

Even without noting the possibilities of mis-using or misapplying risk-benefit analysis in business, there are other problems connected with its ordinary workings which can raise ethical questions. One is neglecting, or even declining, to explore all the reasonably foreseeable risks involved, thus courting an ignorance of them which in the aftermath could only be termed culpable. Another is the problem of distributing and apportioning risks to various parties, including the increasingly problematic party of future generations. For perhaps it is not the dead, but those yet to come, who are in the great majority. And a

third lies in the very attempt to quantify for purposes of comparison so many different and disparate risks and so many things and values which cannot be quantified or which are cheapened or demeaned in the attempt. Clearly I would not make a good insurance assessor or claims arbitrator! I recall getting a mention once in the *Financial Times* for asking a group of business people how much cost over-run they thought should be accepted in the Channel Tunnel project rather than have one more workman lose his life, as had just happened due to deficient safety provisions.

#### IV

The moral handling of risks raises numerous other problems for business, of which time permits identifying only one, that of delegation, or having the courage to share responsibility with others. The courage to delegate appears to be a quality which often seems conspicuously lacking in other people, though rarely, of course, in oneself. I am inclined to describe difficulty in delegating as a matter of moral courage and not just a lack of business efficiency, because it often seems to be born of fear and lack of courage: fear that things will go wrong, not just in a selfish sense for the delegator but more honourably for the business in hand. If difficulty in delegating is a matter of temperament this does not exonerate the individual from the moral duty to do so, but it does raise again the point that what we are considering here are moral virtues, that is, the ingrained or the acquired capacity and skill to act habitually along certain lines of behaviour, and in this case to learn to delegate by overcoming one's feelings or reasons for being reluctant to do so. Declining to delegate betokens an irrational lack of trust in another's capacities to do what they have been appointed to do; for if it is well-founded then they should not have reached where they are - at least in theory. It also involves an irrational, and irresponsible, personal taking on of difficulties and risks which are not properly the business or duty of the principal, and can verge on the presumptuous extreme of taking on too much and considering themselves, but not, of course, others as capable of withstanding all the pressures involved.

In his analysis of courage which I have mentioned Lord Moran made two further interesting points. One was his conclusion that 'in general men given great responsibility work too hard.' I am sure that this experienced reflection on the

part of Winston Churchill's doctor applies well beyond the theatre of war, but it raises the further question to what extent the excessive work to which many people in positions of responsibility are liable includes work which they should not be doing, and whether by contrast they can have the courage to limit their performance to only those tasks which comprise the duties of the role which they have accepted. For Moran made the further interesting reflection that 'men of goodwill saddled with the fate of others need great courage to be idle when only rest can clear their fuddled wits.' To which one might add that when Cicero described courage as the measured confronting of dangers he could be taken to include the courage not just to face the true facts of the situation, but also the relevant facts and dangers of a situation, and as a corollary having the courage not just to delegate, but also to relegate other dangers to the responsibility and courage of others.

#### V

In my previous two lectures dealing with moral virtues as they apply in business I concluded by asking whether we can apply such virtues not just to the people involved in business but to business firms themselves; and I suggested various ways in which I thought we could. It may appear strange to enquire, however, whether we can speak of a company being morally brave or courageous, and yet I think it possible to make some useful sense of the idea in several respects. For instance, one aspect of courage which I have not mentioned is the capacity to respond to emergencies or sudden crises and to cope with the rush of feelings and fears which they can engender. 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. And one can say the same of a company which has already in place procedures for handling crises and emergencies, so that corporate responses are not just a series of panic measures or instinctive cover-ups or other frightened *ad hoc* attempts at damage limitation.

At a recent conference in European business ethics held in Paris I was introduced to an organization, and indeed to a subject of research, of which I had previously been unaware, *l'Institut européen de Cindyniques*. It was only when I recalled that the Greek word for danger is *kindynos* that I appreciated that the

purpose of this European Institute was to study danger and the various ways of handling it. One of the maxims of such kindynology, or study of danger, is that 'catastrophes are not accidents'; and this conclusion is based on the findings of various post-disaster enquiries which indicate that technological catastrophes result less from chance than from various cultural, organisational and managerial deficits or failings. If that is so, then it follows that one of the best ways for companies to acquire the calculated 'courage' to be able to avoid disasters is by regular managerial and organisation audits, and to acquire the corporate courage to handle them when they arise, by setting up contingency procedures which will move smoothly, that is, virtuously, into action as occasion requires.

Another built-in capacitor for corporate courage can be the provision made for, and the role assigned to, non-executive members of the board of directors, which is again in the news today with the final Report of the Cadbury Committee on Corporate Governance (1.12.92). For if one of the features of whistle-blowing is the feeling of isolation, as I mentioned at the beginning of this lecture, then another generator of courage in a business firm is the company of like-minded people. There is not only safety, there is also courage in numbers. And one of the reasons why Sir John Banham earlier this year, in an interview in *Business Ethics*. A *European Review* (Jan 1992), advocated an increase in the number of non-executive directors was precisely to provide them with the collective confidence to take difficult and possibly unwelcome stands on various issues of company policy or behaviour.

However, when the Draft Report of the Cadbury Committee was published, my own editorial comment in the same journal (July 1992), while welcoming the suggestion of a Code of Best Practice for companies, was to express the view that the Report was problematic in consigning to the horny hands of non-executive directors so many of the nettles of corporate governance which the Committee had no difficulty in identifying as needing to be grasped. I have been interested to note that two of the major areas of concern widely expressed in reaction to the Draft Report were whether, and how, the Code would be enforced, and whether an adequate supply could be found of non-executive directors of a sufficient calibre, reflecting my own surmise whether there would be a sufficient market in such ethical monitors. Now it looks as if the task of ensuring that companies will in fact observe the Code of Best Practice is also to be assigned to their

institutional shareholders, who will thus be expected to play more of a part in the workings of the company, as suggested by the Cadbury Committee and supported by the CBI and others, according to today's *Financial Times* (2.12.92).

As well as an almost-mandatory Code of Best Practice for listed companies, the Cadbury Report also recommended that boards of companies should have or introduce a code of ethics for all employees and should publish them both internally and externally. Here is another corporate provision which could do much to promote a climate of moral courage in a business company. If courage, as Cicero analyses it, is composed of confidence, patience and perseverance in the face of dangers and difficulties, then whatever structures a company can devise to promote these qualities in its corporate decisions, and to facilitate them in its personnel, is creating a climate of courage in its dealings and in all its members. Confidence, for example, as I have said, is belief and trust in one's abilities to cope successfully with dangers, and here is where codes of conduct can have a part to play by creating such moral confidence in all the members of a firm. This they can do not only by publicly expecting individuals to act ethically in discharging their duties in the face of pressures. They can also equip people with a resource to overcome the fears which such pressures can create, in providing them with corporate support, and with approval when they do act with moral courage.

Finally, such a climate of compliance as a matter of course with approved corporate procedures can not only facilitate ethical behaviour in accordance with such procedures. It may also hopefully and literally 'encourage' individuals as the occasion requires to exercise moral independence and to have the courage to act in ways which are either not foreseen by established procedures or may even seem to be at variance with those which have been decided on for the general run of situations. Broadening this consideration can lead us to consider what some writers have come to identify as the power of moral imagination in the conduct of business, where ethics is seen as not simply literal obedience to the letter of a code, but fidelity to its spirit, and adherence to the purpose of the company to satisfy a whole variety of human needs and aspirations. The courage to be visionary towards the future, in spite of inevitable misgivings and the fears which they understandably raise, is perhaps the ultimate expression of moral courage. It is a visionary and courageous approach which can apply to

every honourable activity in human living, and not least to the activity of business in society. This in turn raises fundamental issues about attitudes to change and adapting to new circumstances on the part of a company. The courage of a chief executive or a board to leave the security of the past and face the uncertainties of a conjectural future is, in the traditional philosophical distinction, courage which is necessary, but not sufficient. It has to be communicated and shared throughout the whole enterprise, on pain of delay, obstruction and possible failure. Thus structures have to be created and called upon which will make provision for those two other Ciceronian elements of patience and perseverance, thus making not only the goal of change but also the way towards achieving it a matter of considerable sustained courage.

## VI

In these three lectures I have been examining not just the ethical approach to various situations in business, but also the resources which individuals and companies may possess or come to acquire in tackling such issues. The recovery of virtue theory seems to provide an enriched possibility for examining and analysing those resources, as dispositions and positive inclinations inherent in the moral agent to discover and to perform the correct ethical course of action. I have also tried to see in what measure such moral virtues as confidentiality,

loyalty and courage can apply in any meaningful sense to business companies as such.

Ultimately what virtue theory brings out more than any other ethical theory applied to business dilemmas is that there is really no substitute for the integrity, including the trustworthiness, loyalty and moral courage, of the individual person working within the company and for its best interests. There can be an element of quiet moral leadership about the behaviour of such an individual for which no amount of exhortation or codification can make up. Yet individuals live in societies, and interact with their societies. Accordingly, while it can be hoped that virtuous individuals in a business company can have a steady influence on their colleagues and the company as a whole, it is also to be hoped that companies themselves will not just leave their own proper ethical concerns to the virtuous individuals they may be fortunate to possess. This is something which should not be delegated. Companies themselves must set about the pursuit of virtue, or the increase of virtue, in order to attract, encourage and profit from the sort of personnel I have been describing, and in order each to *be*, and be seen to be, an organisation which is habitually and characteristically concerned about the ethical quality of its corporate life and behaviour. If companies and the individuals within them are not able to work together to identify the ethical principles for which they stand, and to exemplify them by acting with the courage of their convictions, then at the very least they may well end up with convictions of a somewhat different kind!



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