

THE CHALLENGE OF MINOR ETHICAL MATTERS
FOR THE AGENT IN BUSINESS

by

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ABSTRACT

Business ethics theory tends to focus on major ethical issues in business, and while this understandable, it is incomplete. This paper argues that minor ethical matters in business are also important and should not be ignored. Furthermore, a virtue ethics critique is an instructive approach to showing why minor ethical matters are important in business and how ethics theory gives insights into how to properly handle minor ethical matters in the business domain.

Through analysis of case studies, psychological experiments, and philosophy thought experiments, I show in four chapters how a virtue ethics critique gives an illuminating analysis of minor ethical matters in the business domain. The first chapter uses ideas found in the Mencius about how importance and praiseworthiness relate to major and minor ethical matters. The next three chapters look at two virtues and one vice—honesty, hypocrisy, and candidness—and how these character traits play out in the business domain concerning minor ethical matters. The chapter on honesty captures the praiseworthiness of being honest in business relationships in minor ethical matters. The chapter on hypocrisy examines the claim that in minor ethical matters, hypocrisy in business could be a virtue; in reply, I argue that integrity in minor ethical matters is virtuous, but in certain kinds of business situations, proper pretense, which can look like hypocrisy, should be employed. The chapter on candidness (how much private

information agents should reveal about themselves) argues that virtuous agents in business are cautious against full disclosure in minor ethical matters, particularly in social networking media.

From analyzing honesty, hypocrisy, and candidness in the business domain, I conclude that a virtue ethics critique gives an enlightening analysis for the following reasons: (1) for agents in business, thinking in virtuous terms helps them to see that minor ethical matters should be thought of in ethical terms, (2) thinking in terms of character reveals how we want agents in business to act in minor ethical matters, and (3) dealing with issues from a character standpoint potentially improves the agent's dealing with minor ethical matters in business.

Shackleton's popularity among those he led was due to the fact that he was not the sort of man who could do only big and spectacular things...when occasion demanded, he would attend personally to the smallest details, and he had unending patience and persistence, which he would apply to all matters concerning the well-fare of his men.

—Frank Worsley, captain of the *Endurance* on
Shackleton's Imperial Trans-Atlantic Expedition

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CHAPTER 1

OVERVIEW

1.1 Introduction

Business ethics theory gravitates toward addressing major problems in business. For example, the fraudulent bookkeeping of Enron or Worldcom has become emblematic of ethical problems in business. Issues involving potential mortal dangers to human life, such as tainted Tylenol or exploding Pintos, have become the standard case studies in business ethics textbooks. Focusing on major ethical matters in business is reasonable because direct, immediate, and severe harm can come from not properly handling these major issues. So business ethics literature's tendency to focus on major ethical matters is understandable; yet, it is incomplete.

My dissertation proposes that attention in business ethics theory is needed on why minor ethical matters are important and should not be ignored. When minor ethical matters are occasionally addressed in case studies, a common strategy is to use either deontological rule-based theories or utilitarian theories. However, an analysis of a sampling of these case studies reveals that a virtue ethics critique is further enlightening. The following three reasons indicate why: (1) for agents in business, thinking in virtuous terms helps them to see that minor ethical matters should be thought of in ethical terms,

(2) thinking in terms of character reveals how we want agents in business to act in minor ethical matters, and (3) dealing with issues from a character standpoint potentially improves the agent's dealing with minor ethical matters in business. Therefore, my thesis is that using virtue ethics theory gives an illuminating analysis of minor ethical matters in the business domain.

I defend this thesis by first defining terms and explaining the kind of virtue ethics theory I will be using, and I will preview the argument that leads to this conclusion. Then, I will present four core chapters that show how a virtue ethics analysis captures the importance and gives profitable analysis of minor ethical matters. The first of these four chapters looks at Mencius' claim that most of us see relatively clearly the proper action in major ethical matters; however, when it comes to minor ethical matters, our ethical training is crucial to help us see the proper action and proceed to act virtuously. The next three chapters examine minor ethical matters in the business domain by focusing on three character traits. The first of these three chapters considers the virtue of honesty and how a virtue ethics analysis captures the blameworthiness of deceiving the parties in business relationships when it comes to minor ethical matters. The next chapter examines the vice of hypocrisy and the claim by some that appearing trustworthy in business is so important that being hypocritical—in minor ethical matters when you will not get caught—is necessary. I argue that in *certain kinds* of business situations, agents should approve of action that *looks like* hypocrisy, but hypocrisy itself should not be embraced; sometimes, deception in business is permissible and even praiseworthy, but otherwise, integrity in minor ethical matters is virtuous. The fourth chapter looks at what I call the virtue of

“candidness” and examines how much private information agents in business should reveal about themselves, particularly in social networking media. My argument is that the virtuous agent recognizes that full candidness in minor ethical matters is not praiseworthy.

1.1.1 What are major and minor ethical issues?

For this essay, “major” and “minor” refer to the degree of seriousness of the ethical matter. For example, stealing envelopes from the office supply room is minor, while embezzling millions of dollars from the company is a major matter. Or in the case of truthfulness, telling a white lie that would lead to little harm if uncovered is minor, while intentionally misreporting pollution levels that could result in severe, widespread health problems is major. Such examples involve levels of harm, but what I call major and minor matters are not limited to issues of harm. For example, donating \$5 to the office charity is praiseworthy to a minor degree, while donating one’s weekend to directing a Habitat for Humanity project is praiseworthy to a major degree. Thus, the difference between major and minor can be cashed out in the language of the degree of praise and blame that would be attached to the agent being involved with the ethical matter. (I will define and explain how I am using the virtue concepts praiseworthy and blameworthy shortly in section 1.2.3.)

The preceding four actions exemplify a possible way of judging seriousness—the amount of harm or benefit that the agent intends to bring about. So an action can be judged to be serious based on, at least in part, its foreseen change of welfare in the world:

an action is more serious, and thus major, if the foreseen degree of change in welfare is relatively high. To put this in virtue ethics terms, the agent who brings about small amounts of inappropriate harm would be judged to be mildly vicious, but the agent who brings about large amounts of inappropriate harm would be judged to be severely vicious (for being the instrument of a severely blameworthy act). However, the same actions would be serious based at least partly on the degree of blame or praiseworthiness irrespective of the foreseen or actual consequences. An agent that attempts a severely vicious act but doesn't have the skill to pull it off would still be judged to be involved in a major ethical issue. In addition, acts that have no negative impact on the welfare of the world, but still are praise- or blameworthy, would also be included. If an agent steals a small amount of goods that is never missed (e.g., goods that a company has lost records on so the loss is not recorded in shrink), this would still be stealing and a vicious act. In summary, I am judging the agent's action's seriousness in a virtue ethics way of "what kind of a person" does a certain action. The "what kind of a person" can include trying to bring about change in the welfare of the world; but it need not be—the "what kind of person" can be based on the action itself without considering a change in the world's welfare. To reiterate, the difference between major and minor is to be cashed out in the language of the degree of praise and blame that would be attached to the agent being involved with the ethical matter.

There are other ways of understanding major and minor that might also be included under my analysis. For example, the quality of major or minor in a case study might jump out as being the degree of energy expended to be involved in an ethical

matter. White lies usually take little thought or effort; by contrast, doctoring important information usually takes more thought, the collaboration of other parties, and the coordination of other information to hide the deception. That being said, there are instances where minor expenditures would be part of serious ethical matters (pulling the trigger of a gun involves a minor expenditure of energy but could have major ethical outcomes). Another possible way to understand the quality of major and minor is in terms of change to the state of affairs in the world. A small change in office decor, color, lighting, or small items on a desk for example, could alter a client's mood or affect client's receptiveness to a deal. Yet again, we could think of minor changes in the state of affairs that would be part of serious ethical matters (such as placing a single bullet on the desk to emphasize that an offer is too good to refuse). So it is possible to recognize the major-minor distinction in ethical matters in different ways, and I do not necessarily exclude these useful distinctions if they work. But for the sake of theoretical clarity, this essay will ultimately ground major and minor ethical issues in the degree of seriousness of praise and blame.

1.2 Virtue ethics

1.2.1 Type of virtue ethics theory used

One of the first explicit calls to apply virtue ethics to business ethics was made by Robert C. Solomon twenty years ago. Since that time, a number of other scholars have

supported approaching business ethics through virtue ethics.¹ My thesis is a continuation of these approaches focusing on the particular issue of virtue ethics theory in minor ethical matters. What these philosophy pieces have in common is a general Aristotelian understanding of virtue ethics. Three aspects of virtue ethics they share are a focus on the virtues (or excellences), the importance of community, and ethical judgment.

The first and most important aspect of virtue ethics is that virtues and vices make up an important part of an agent's character. Agents have virtues and vices, which means they will be disposed to act in certain ways in certain contexts. This will be the driving force of my analysis: based on what kind of persons agents are, they will be disposed to act and feel in certain ways. I am focusing on three character traits dealing with the exchange of information: if the agent has a cultivated character and is in an information exchange context, then she will exhibit honesty, avoid hypocrisy, and be candid in the right ways.

Another virtue ethics aspect I will stress throughout the essay is the importance of community. Agents in business find themselves in a business community within the greater society. It is literally impossible to do business without interaction with others, and typically the interactions are various and extensive. So without a well-functioning

¹Starting with Solomon, here is a sample of theorists employing and encouraging virtue ethics theory in business ethics: Solomon, Robert C. "Corporate Roles, Personal Virtues: An Aristotelean Approach To Business Ethics," Business Ethics Quarterly 2, no. 3 (1992): 317-339; McCracken, Janet and Shaw, Bill. "Virtue Ethics And Contractarianism: Towards A Reconciliation," Business Ethics Quarterly 5, no. 2 (1995): 297-312; Koehn, Daryl. "A Role Of Virtue Ethics In The Analysis Of Business Ethics," Business Ethics Quarterly 5, no. 3 (1995): 533-539; Hartman, Edwin M. "The Role Of Character In Business Ethics," Business Ethics Quarterly 8, no. 3 (1998): 547-559; Dyck, Bruno and Kleysen, Rob. "Aristotle's Virtues And Management Thought: An Empirical Exploration Of An Integrative Pedagogy," Business Ethics Quarterly 11, no. 4 (2001): 561-574; Caza, Arran, Barker, Brianna A. and Cameron, Kim S. "Ethics and Ethos: The Buffering and Amplifying of Effects of Ethical Behavior and Virtuousness," Journal of Business Ethics 52, no. 2 (2004): 169-178; Moore, Geoff. "Humanizing Business: A Modern Virtue Ethics Approach," Business Ethics Quarterly 15, no. 2 (2005): 237-255.

business community, the individual agent cannot practice business well. In addition, most agents in business find themselves in companies or corporations, which are discrete communities with specific business purposes. Without these communities flourishing, the agent in business cannot flourish. So a value presupposed in my analysis is that one of the most important parts of being a virtuous agent in a community necessarily includes dedication to the community: one is committed to the good of the community at least equally to one's individual good. (If the company is generally ethical, this means supporting the community in what it is doing; if the company has ethical lapses, this means working to correct those and improve the community.)

Finally, I will use the virtue ethics characteristic of practical wisdom or good judgment that figures out right action and standards of praise and blame. Such judgment cannot be reduced to certain rules or formulas, but depends on the virtuous agent exercising the appropriate virtue in the right way for the unique situation.

1.2.2 Right action in a virtue ethics theory

Aristotle does not offer a clear formula for right action—so another philosopher's theory must be used. One possibility is this formal principle offered by Rosalind Hursthouse: “An action is right iff it is what a virtuous agent would characteristically (i.e., acting in character) do in the circumstances.”² Hursthouse thinks this formal principle is correct, but explains that it is potentially misleading as a formula for right action because it does not specify what a virtuous agent is. She thinks we might

²Rosalind Hursthouse, *On Virtue Ethics* (Oxford: Oxford University Press, 1999), 28.

incorrectly assume that the principle only means how a virtuous exemplar would act in the situation, or more specifically, put in the situation, what a virtuous exemplar would do would then be the right action—which is not particularly informative. So to round out the principle, Hursthouse cashes out “a virtuous agent” in terms of *the virtues* as opposed to *what a virtuous agent does*. As she goes on to explain: “A virtuous agent is one who has, and exercises, certain character traits, namely, the virtues.”³ She explains, for example, that the agent in the circumstance needs to figure out what the just, brave, or kind act would be coming from the character of a just, brave, or kind person. Therefore, Hursthouse’s complete principle for right action can be summarized as the following: *an action is right iff it is what the agent in the circumstances would do if he/she were virtuous and thus properly employed the virtues.*

At this point, a general objection could be advanced. It is the problem that this formula for right action is meaningless to the nonvirtuous (because they do not have the needed character traits), so the nonvirtuous have no starting point, let alone robust knowledge, about what the right action would be. Hursthouse has two answers to this objection. First, I as a nonvirtuous agent should go to the virtuous and seek their guidance.⁴ She argues that this is a more accurate representation of how moral agents actually work through, learn, and act on moral problems. Second, Hursthouse points out that even if my character is not fully developed, I still have been taught about aspiring to good character, and I have been encouraged to emulate virtues and discouraged from the vices. With such knowledge, I have the tools to act rightly:

³Ibid., 29.

⁴Ibid., 35.

“So, given such an enumeration of the virtues, I may well have a perfectly good idea of what the virtuous person would do in my circumstances, despite my own imperfections. Would she lie in [sic] her teeth to acquire an unmerited advantage? No, for that would be both dishonest and unjust.”⁵

Do these answers meet the general objection? I think so and now offer an example to show that they do. Consider two agents who bring different strengths, limitations, and character development to a context. For example, these two agents find themselves in identical situations where courage demands external whistle-blowing (a serious case where internal whistle-blowing options have been exhausted). The first agent who is virtuous would from personal knowledge make the decision to perform the external whistle-blowing despite great risk. We would see this agent as courageous for doing so because he faced the fear of reprisal to himself and overcame it because it was the moral thing to do. The second agent, who is not particularly virtuous, in the same circumstances might well seek help and assistance to blow the whistle. We can imagine him being hesitant to go through with it, out of fear, and muddling through the dilemma with half-hearted conviction—but finally seeing it through by trying to emulate what a courageous person would do. Despite his wish to emulate courage, his concern with protecting himself from reprisal might equal his desire to see the moral thing done. We would probably characterize this agent as only moderately courageous at best, and not thus particularly “characteristically virtuous.” But if the issue is “was the second agent able to figure out and do the right action?” the answer is yes. He put himself in danger and faced it courageously, albeit only with the amount of courage he was capable of. It was the right act because it was, to best of his abilities, approximating what the virtuous person would

⁵Ibid., 36.

characteristically do employing the virtue courage.

We can draw from this a distinction between doing an action that is virtuous and acting virtuously. In a standard Aristotelian framework, acting virtuously or excellently must be done from developed character that a virtuous person would have. Imitation without the proper character does not count as acting excellently. Thinking back to the example of external whistle-blowing, the nonvirtuous, second agent blowing the whistle would not be *acting from excellence* (i.e., *courageously*) because the act would not be based on virtuous, or highly developed character. But again, on the question of right action, Hursthouse's formula is an acceptable one for right action in most situations.⁶ In conclusion, Hursthouse's formula does define the action that is right for the agent in question—so it is the formula that I am assuming through the paper.

1.2.3 Praiseworthiness and blameworthiness

Now that a formula for right action has been explicated, the terms “praiseworthy” and “blameworthy” can be defined. In ethics, the terms “praise” and “blame” usually indicate whether a person can be held responsible for the action. This means that an agent can be praised or blamed for voluntary actions and feelings, but praise and blame do not generally apply to actions that are the result of luck or coercion.⁷ For example, if a driver

⁶Hursthouse also spends time considering more unusual circumstances where right action, strictly speaking, is not possible. For example, in tragic dilemmas where the agent must act, Hursthouse argues that while there is an action that the agent should do, the action cannot be called good or right and it leaves the agent's life marred. See pages 77-83. These kinds of unusual cases are not pertinent to the kind of cases that I use as examples.

⁷See Aristotle, *Nicomachean Ethics*, tran. W. D. Ross, rev. J. O. Urmson, in *The Complete Works Of Aristotle* Volume Two, ed. Jonathan Barnes (Princeton, New Jersey: Princeton University Press 1984), 1109b 30-1110a15.

drives carelessly, recklessly, or distracted, and then hits a pedestrian, we would clearly blame the driver and hold her responsible. By contrast, if a driver drives well (at or under speed limit, being aware, etc.) and a pedestrian runs out in front of and is hit by the vehicle, we would not blame the driver. Likewise, we praise individuals who earn money through hard work, but do not praise individuals who earn money through playing the lottery. So the first element of praise and blame is whether the agent deserves moral credit for an action.

With that being said, I would like to point out the following: the idea that an agent deserves praise or blame for an action presupposes the agent performs the action rightly or wrongly. Aristotle recognizes this use of praise and blame. Considering the example of hitting the mean of proper anger, he notes that we use these terms when an agent approximates right action to a certain degree: “for we sometimes praise those who fall short and call them good-tempered, but sometimes we praise those who get angry and call them manly. The man, however who deviates little from goodness is not blamed... but only the man who deviates more widely....”⁸ So while Aristotle is using praise and blame to mark an agent who is morally responsible, he is at the same time assuming praise and blame match with right and wrong action.

I will use the terms in the same way: an agent is praiseworthy or blameworthy if the agent is morally responsible and performs an action rightly or wrongly or approximates right or wrong action to a “close enough” degree. Note that this matches

⁸Ibid., 1109b 14-20.

with Hursthouse's formula of right action.⁹ In section 1.2.2, right action included virtuous performance to the best of the agent's ability—this is the same form as approximating the right action to an appropriate degree given the circumstances. In summary, there are multiple ways in this essay I will indicate an action done morally or ethically that are roughly synonymous, but one term may best fit the context of the text. Actions can be virtuous, right, or praiseworthy; concurrently, actions can be vicious, wrong, or blameworthy.

1.2.4 The partial autonomy of the business domain

As introduced in section 1.1 on page 2, I will be dealing with the virtue of honesty, the vice of hypocrisy, and the virtue I call candidness. It would be legitimate to look at these three character traits and see how they operate in the business domain without claiming that the business domain is special or different from other domains such as medicine or civic life in general. So I could simply claim that honesty, for example, is a virtue in the business domain but is also a virtue in civic life in the same way. But I would like to go further and claim that honesty, hypocrisy, and candidness are in some ways different in the business domain than in other domains. Thus, I will proceed with the understanding that the business domain has *partial autonomy* from other domains.

I would like to make it clear that I am not claiming the business domain has *full*

⁹As indicated in footnote 6, Hursthouse claims that in tragic dilemmas where the agent must act, the action cannot be called good or right, and thus in her view, such action cannot be called praiseworthy. In my view, such action can be called right because the agent *does the best she or he can* (although I agree with Hursthouse that such right action would leave the agent's life marred). Thus, in my view, such action can also be called praiseworthy, albeit to a minimal degree. Despite these differences about tragic dilemmas, I am claiming that Hursthouse's formula for right action, and my use of "praiseworthy" and "blameworthy" being roughly synonymous with right and wrong action, match with the examples I use in this paper.

autonomy. Such a claim would be holding that honesty (again, e.g.) is a virtue in the business domain but is not a virtue in other domains, or it is a virtue quite distinct in different domains. By “partial autonomy” of the business domain, I mean that some virtues, while similar in many ways, operate differently in some particular ways. Yet these differences are important. Some virtues may be stricter, less strict, or have different aspects to them because of the essential characteristics (perhaps unique, or perhaps different from most other domains) of the business domain.

One of the reasons, or essential characteristics, for partial autonomy of the business domain is the importance of community (which has been mentioned in section 1.2.1). There is no doubt that community is important in many ethical domains, but business is one where community is central to its existence as a practice. (Compare this to, for example, medicine, where the fundamental ethical starting points are the well-being of individuals—their health. By contrast, business at its most fundamental is trading inside of or between communities.) So while other domains hold community to be important, the business domain would be at or near the top of the list of domains where community is important and fundamental.

But perhaps the best reason, or essential characteristic, for partial autonomy of the business domain is its being a competitive realm. The significance of business being a competitive realm is addressed in section 1.3.2.2. For now, let me point out that business being a competitive realm affects how some virtues manifest: what is virtuous will be different because the domain is competitive in conjunction with being cooperative, and competition often adds elements of prevailing over other agents in the realm, leaving

them on the losing end. This obviously makes for special ethical situations.

Although there could be other reasons why the business realm is partially autonomous, I will offer these two and make the following claims about the two virtues and one vice I examine in this dissertation. It is possible the virtue honesty has some case for being different in the partially-autonomous business domain. Because good relationships in the business community are so important—*in the middle of a fundamentally competitive environment*—careful honesty in business relationships is perhaps more commonly applied than in other domains. What I mean by this is that because the competitive environment puts those in the community at odds with one another in some ways, and agents are trying to best each other, accurate information is a signal that the shared and *crucial* value is to create a *fair* competitive environment where all agents (win or lose) are fundamentally *respected*. So agents in the business domain should hold honesty to apply in more cases. This will be explained and defended via the two case studies in the honesty chapter, sections 3.3.2 and 3.3.3. The vice hypocrisy is somewhat different in the partially-autonomous business domain because hypocritical-like behavior can be praiseworthy in a community-benefitting, competitive environment. This will be explained and defended in section 4.4 of the hypocrisy chapter. Finally, the virtue of candidness is somewhat different in the partially-autonomous business domain is because limiting candid information can be praiseworthy to avoid harm to the community by avoiding public openness and self-centeredness. This will be explained and defended in sections 5.4 and 5.5 in the candidness chapter.

1.3 The argument: virtue ethics gives an illuminating analysis of minor ethical matters in business ethics

In this section, I will first show why minor ethical matters are important and why business tends to ignore minor ethical matters. With that established, I will then preview how virtue ethics theory gives a profitable analysis of minor ethical matters in the business domain. I stress that these explanations are not complete arguments but overviews of the analysis that will be given in the four chapters on Mencius, honesty, hypocrisy, and candidness. But it is important to clearly show how my overall argument fits together before starting those four chapters.

1.3.1 Why are minor ethical matters important?

One standard reason why minor ethical matters are important is the problem of small issues growing into large issues. While in the short term, minor ethical matters would not be perceived as serious (by definition), they can lead to more serious matters. For example, a dishonest slight of a coworker might lead that coworker to be less cooperative and engaged in a group project which in turn leads to a less successful project. It is very difficult to predict which small issues will have large effects in the future. Thus, it is important to keep minor transgressions at a minimum so fewer can grow into major issues.

Another standard reason is that while minor ethical matters individually do not amount to great seriousness, put together in aggregate, multiple small issues can create a serious problem. An example is theft of small amounts totaling to unacceptable levels of

shrink. While small instances of shrink and inefficiencies are impossible to completely eliminate, it is important to keep them at a minimum so the aggregate of minor ethical issues remains small.

These reasons should strike one as common-sensical, but I will show with specific case studies that other analysts do not fully appreciate these common-sense implications of minor ethical matters in the business domain. And while minor issues are important, it is arguable that in the business domain, minor ethical matters are ignored.

1.3.2 Why is there a tendency in business to ignore minor ethical matters?

There are two reasons agents in the business domain tend to ignore minor ethical matters.

1.3.2.1 Reason one. The first is that agents inside of business sometimes see business as an amoral domain, semimoral domain, or watered-down moral domain compared to other parts of their lives. Let me be clear: I am not claiming that agents in business *should* see the business domain as anything less than moral, let alone that they are *justified* in seeing it less than moral. However, it is an apparent cultural trait among some that business is different than other domains in one's life: you should act with your family, friends, community, etc., as a moral agent, but when it comes to business, the free market reigns and all bets are off. This attitude can be seen in famous descriptive

studies,¹⁰ and even famous prescriptive arguments.¹¹ If agents in business adopt these attitudes, they will be less likely to act on moral reasons overall. In addition, as I stress in my analysis, they will be less likely *to see* minor ethical matters *as moral* compared to seeing major ethical matters *as moral*.

The adopted mindset of business being amoral can be overridden by the serious harm of unethical action. Agents in business are more likely to see major ethical matters as moral because of the vivid presentation of the seriousness; oppositely, agents in business are less likely to see minor ethical matters as moral because the degree of seriousness does not present itself as vividly. If an accountant realizes that misrepresenting large amounts of funds could seriously harm the company, his awareness that this is a moral issue is more likely to “kick in” and present itself—“maybe I shouldn’t do this... if uncovered it could blow up and hurt a lot of people...and that’s wrong....” So even if the accountant generally regards his role in business as amoral or business in general as amoral, the seriousness of the situation might override his general regards about business and present itself as a moral issue. By contrast, the same accountant skimming just a bit a couple of times, or lifting a moderate amount of office supplies out of the supply closet, will get far less vivid signals about the morality of the matter—“this isn’t going to hurt anyone so there’s no harm in it... so it’s not *really*

¹⁰Jackall, Robert. Moral Mazes: The World of Corporate Managers (New York: Oxford University Press, 2009). Note that this famous book has been updated to include the financial meltdown of 2008. Or see this interesting study concluding that company credos or philosophical principles are of little help in the real workplace: Allen P. Web and Joseph L. Badaraco Jr., “Business Ethics: A View From The Trenches,” California Management Review 37, no. 2 (1995): 8-28.

¹¹The most famous article advancing this argument, although derided by most business ethicists, still strongly resonates with many: Milton Friedman, “The Social Responsibility of Business is to Increase Its Profits,” New York Times Magazine, 13 September 1970. Another famous article is one I will later analyze in detail: Albert Z Carr, “Is Business Bluffing Ethical?” Harvard Business Review 46, no. 1 (1968): 143-153.

wrong....” So even if the minor issue does present itself as being possibly moral, it would likely be dismissed.

Furthermore, even if agents in business do not see major ethical matters as moral issues, they are more likely to act as a moral person would out of fear of punishment. The accountant who is tempted to misrepresent large amounts of funds might well not do so because he could ruin his future career prospects or go to jail. By contrast, because minor ethical matters are minor, they are often seen as having low to no risk of being caught. In addition, some minor issues would be regarded as having minimal punishment even if caught. The accountant who is caught taking a couple of boxes of envelopes home for personal use will probably be forgiven after an apology and excuse of “not thinking about the situation.” So because of the relative absence of punishment, agents are *less likely to act in a moral way toward minor ethical matters if they do not see them as moral issues in the first place*. A possible objection is this is not “ignoring minor ethical matters” in the first place because such agents do not see them qua moral at any stage of the issue. I would reply that if agents in business have a greater tendency to act morally in regards to major ethical matters—regardless of what their real motivation is—but have a lesser tendency to not act morally in regards to minor ethical matters, there is *still a problem* of ignoring minor ethical matters.

1.3.2.2 Reason two. The second reason why agents inside business tend to ignore minor ethical matters is the competitive nature of the business domain. In business, while it is obligatory to treat competitors fairly and morally, it is permissible to outperform them and put them out of business. At times, it is not just permissible but obligatory to

put a competitor out of business if that competitor is serving its stakeholders poorly or even just being highly inefficient. A standard view in business is that when a free-market system works properly, the greatest social good results. Fair competition is a necessary element to a free market system, and fair competition includes uncompetitive businesses ceasing to exist. Therefore, the competitive nature of the business domain (where businesses fail with regularity) is a good and ethical part of business because competition helps produce the overall social good.

That being said, the spirit of competition against competitors in business can be misapplied to coworkers, customers, and other stakeholders who businesses should not target as competition. Just because a business should work to triumph over a competitor resulting in a non-zero-sum gain does not mean that it is ethical to act that way in other kinds of relationships. For example, the salesperson who uses secrecy and subterfuge to keep a competitor unsure about the company's price positions is acting ethically, but the same salesperson who uses the same techniques with her coworkers in order to gain a bigger bonus at the expense of her coworkers is probably acting unethically. Agents in business can lose track of the distinction and act "in competitive ways" in the wrong kind of relationships. The result is agents acting unethically *in the wrong context*.

The previous arguments in section 1.3.2.1 of why major ethical matters are more likely to be seen as ethical apply here in the same way. A manager might well be proud of a new product that eliminates a rival, and she would be ethical to be so, but a new product that because of its production methods eliminates lives would be seen as unethical because of the seriousness of the harm. The excuse, "we must make the product this way

to meet earnings expectations,” would not be seen as moral justification to override the harm. By contrast, the same manager might not see the ethical character of a minor issue, say, of lying to customers about the capabilities of a new product. With the seriousness of the harm being less, a misapplied competitive justification might well be used—“we’re just stretching the truth a little bit here...it doesn’t really harm our customers...and we need to do it to stay on top of our rivals, so it’s not *really* wrong....” In short, the spirit of competition is more likely to be misapplied in minor ethical matters rather than major ones.

The other argument in section 1.3.2.1 can be applied as well. Agents may be tempted to act in a way that misapplies competition but are more likely to refrain in major issues because of the fear of punishment— punishment from the company or outside the company involving regulation or lawsuits.

In summary, there is a tendency to ignore minor ethical matters in business for two reasons. First is the attitude by some agents in business (spurred on by some business theorists) that business is not an ethical enterprise in the first place. Despite this mindset, some major issues are beyond the pale of what most are willing to do, or in other cases, following the appearance of ethics on major issues is prudential. But minor ethical matters do not apply in either case so they are not seen as important. Second is the competitive nature of business that gets misapplied to the wrong kinds of business relationships. Despite such misapplication, even the spirit of competition is not enough to override the unwillingness to do serious harm, or in other cases, it is prudential to hold back competitive triumphs for longer-term considerations. But minor ethical matters do

not apply in either case so ignoring minor ethical matters in the name of getting ahead or staying ahead is seen as what *should* be done.

1.3.3 Why are minor ethical matters important in business?

If sections 1.3.1 and 1.3.2 are correct, then it follows that business tends to ignore something important—the importance of not losing sight of minor ethical matters. If this is true, theoretical analysis that captures and illuminates minor ethical matters is worth examining. In the next three sections, 1.3.4-1.3.6, I will show why a virtue ethics analysis is a powerful tool for capturing and giving profitable analysis of minor ethical matters in business.

1.3.4 How a virtue ethics analysis captures the presence of minor ethical matters

This section is an explanation of the first reason how a virtue ethics critique is further enlightening given on page 1: “(1) for agents in business, thinking in virtuous terms helps them to see that minor ethical matters should be thought of in ethical terms.” In virtue ethics, practical wisdom is the virtue that decides how an agent should act in a given situation. Part of the function of practical wisdom is being able to identify ethical matters as being *ethical* matters, or in other words seeing *the ethical presence* of an issue (when it is actually there). I propose that seeing the ethical presence of major ethical matters is easier than seeing the ethical presence of minor ethical matters. This claim will be argued throughout the chapters on Mencius, honesty, hypocrisy, and candidness, but

the following is a preview of the reasons given.

According to a virtue ethics analysis, I will argue, minor ethical matters are *opaque*, by which I mean it is more difficult to see the ethical presence in them. (Note that *opacity* is a separate issue from the claim that minor ethical matters tend to be *ignored*. While it seems likely that minor issues are ignored in part *because* they are opaque, this just underscores the point that they play different roles. So to be clear, arguments about opacity should be kept separate from the before-presented arguments that minor ethical matters tend to be ignored in business.) To reiterate, the opacity of minor issues makes detecting their ethical nature more difficult.

By contrast, major ethical matters are *clear* (by which I mean the opposite of opaque, or it is easier to see the ethical presence in them), so it does not take a highly developed character to see them as ethical. For example, a CFO of moderate character development will see that killing an accountant to cover up fraud is wrong. Of course, this does not guarantee that she will not kill the accountant—the point is that the CFO will realize that it is an immoral thing to do. By contrast, minor ethical matters are opaque, so it takes a more highly-developed character to see the ethical presence. A CFO who gives the CEO the impression that not even minor fudging of the books is taking place when minor falsification is indeed happening is likely seeing the issue as not an ethical one (e.g., one of honesty) but purely a practical one (because the fudging is small enough that no one is going to get hurt, etc.).

If this position of minor issues being opaque while major ones being clear is correct, an analysis that explains the difference and gives us a theory to show how agents

could be better at seeing opaque issues would be worthwhile. Now I will give two reasons why a virtue ethics analysis can give a description of agents better seeing the ethical presence in minor issues.

1.3.4.1 Caring about the minor. Virtue ethics is a theory that has agents acting from states of character. Part of character development is training to know what the right action is and why it is praiseworthy. Due to a virtuous character, the agent chooses the praiseworthy action out of knowledge. Furthermore, an agent of virtuous character performs the action in the right way. But in addition to these attributes of character leading to praiseworthy action is the fact that *the virtuous agent delights* in doing the right thing for the right reasons. The more an agent's character is developed, the more at ease or comfortable he feels when doing the right thing (because of overcoming weakness of will, for example); the closer the character is to being truly virtuous, the more the agent takes pleasure in doing the right thing.¹² What this means is the agent, in addition to knowing that he should do the right thing for its own sake, *wants* to do the right thing for its own sake because his character is developed in a certain way. In short, the agent *cares* about doing the right thing.

I take it as self-evident that the majority of people care more about major issues compared to minor issues. They see that major issues usually have a more direct, short-term impact on the state of the world—so it is reasonable that agents consciously care most about major ethical matters. While most people would not ignore minor ethical matters entirely, the incentive to care about minor issues is less pressing because of their

¹²See Aristotle, *Nicomachean Ethics*, tran. W. D. Ross, rev. J. O. Urmson, in *The Complete Works Of Aristotle* Volume Two, ed. Jonathan Barnes (Princeton, New Jersey: Princeton University Press 1984), 1104b4-24.

perceived lesser impact on the state of the world. Consider the ethical subject of harm: action causing great harm typically gets people to care strongly, but action causing little or no harm, even if it is clearly wrong, typically results in negligible care.

By contrast, virtuous agents will more attentively care about minor ethical matters despite the perceived lesser impact on the state of the world. Because their character has been developed, virtuous agents care about doing the right thing for its own sake *whenever the ethical situation—major or minor—arises*. Why would this be? The reason is that virtuous agents understand actions as an extension of their character. They are motivated to handle the situation properly because the action must live up to the excellence of their character. Said another way, because the action represents who they are, they care about doing the right action performed in the right manner. If this is true, then agents will still care about doing the right thing in minor ethical matters because the ethical matters, regardless of whether they are major or minor, are still ethical matters and a reflection of them.

The following contrast of two agents exemplifies the difference. The first agent sees the impact being inconsequential or nil as a reason to ignore the minor ethical matter: “it doesn’t matter what I do in this situation because it’s not going to hurt anyone or maybe even affect anyone at all.” The second agent does not see the inconsequential impact as being a reason to ignore the ethical nature of the matter: “it still matters what I do in this situation because it’s a reflection on me.” What is exemplified here is the agent of virtuous character still cares about doing the right thing because even minor situations are still reflections on her character.

If the preceding characterization is accurate, it follows that virtuous agents are more likely to see the ethical presence in minor issues. Even though minor ethical situations are opaque, virtuous agents would be motivated to see the ethical dimensions to the issue. Therefore, despite the opacity or minor ethical issues, a virtuous person will not ignore their ethical dimensions.

1.3.4.2 Practical wisdom seeing the minor. Virtue ethics is a theory that has agents use practical wisdom to apply different virtues to different contexts. For example, the virtue temperance applies to situations where there is pleasurable consumption of food, drink, and sex. The virtue of honesty applies to situations where information is being presented or exchanged. In the context of information exchange, agents use practical wisdom to make judgments on whether to be truthful or not. So part of practical wisdom is *to see that one is in* a context of information exchange and apply the virtue of honesty.

If an agent has virtuous character, it follows that she is good at applying the proper virtue to a given context. In an information exchange context, the agent is going to apply the virtue of honesty and not apply (or get distracted by) the virtue of temperance, for example. Thus, an agent with virtuous character would use a relatively specific guideline to think through an ethical situation. The advantage of this would be to have a more precise tool for handling the ethical situation. It seems reasonable that using a more precise instrument or one that is fitted to the situation will get better results. By using a narrower, more specific guideline, the agent is more likely to clearly see the situation for what it is.

Furthermore, instead of applying a one-size-fits-all guideline, applying a specific virtue to its context allows the agent to see more clearly *why* to do what should be done. For example, consider the situation where two different salesmen can lie to a client and gain an advantage. If the first salesman is thinking in terms of a general-purpose principle such as it is wrong to cause harm, he will start with considering the potential harm of the situation. By contrast, if the second salesman is appealing to his virtue of honesty, he will start with considering the information exchange of the situation. The second salesman will apply the virtue of honesty and tend to be honest because of seeing the situation as one of information exchange. Said another way, the virtuous agent will in a context of information exchange *start* with the value of being honest. Now of course there are instances where preventing harm is more important than telling the truth. So it should be added that the honest agent will tend to tell the truth unless it is appropriate to do otherwise. In circumstances where harm to others is an important factor, the honest agent might well weigh the merits of harm or kindness and judge that an honest person would not tell the truth. But the important point is the contrast in the tools the agents use. If in a situation where the issue of harm is weighty, both salesmen—despite using different tools—would probably come to the same conclusion to lie to prevent the harm. But in other instances, their different tools would produce different results. The first salesman who is using the general-purpose nonmaleficence principle might well consider it fine to lie if it is probable that no harm would result; by contrast, the second salesman who is appealing to the virtue of honesty might well see lying as wrong even if it is probable that no harm would result. Obviously, the second salesman is ethically preferable.

If the preceding is true, it follows that the virtuous person would be better at seeing the ethical presence in minor ethical matters. Minor ethical matters are more opaque because it is not clear what would result from not doing the ethical act—such as little or no harm resulting from a lie. Thus, those using general-purpose guidelines such as nonmaleficence are more likely to overlook minor ethical matters. But a virtuous agent applying specific virtues to situations is more likely to see the ethical presence in the matter despite its opacity.

In summary, I have given two arguments as to how a virtue ethics analysis captures the presence of minor ethical matters. The first is that virtuous agents will care to do the right thing in minor situations because they see their actions as a reflection on their character, regardless of the seriousness of the matter. The second is that virtuous agents using specific virtues will regard ethical issues in more precise ways because of using more precise tools. The conclusion from both of these arguments is that a virtue ethics analysis shows agents seeing the ethical presence in minor ethical matters more clearly despite their opaque nature. If this conclusion is correct, I have shown “(1) for agents in business, thinking in virtuous terms helps them to see that minor ethical matters should be thought of in ethical terms.” Now I will explain reason (2).

1.3.5 How a virtue ethics analysis using character reveals desired action

The second reason is “(2) thinking in terms of character reveals how we want agents in business to act in minor ethical matters.” We want more than agents *to do* the right action; we want agents *to be* a certain way. There are two ways how this is true.

First is that we want our co-agents in business to consistently and reliably perform the right action. Second is that we want our co-agents to understand and value morality like we do. These will now be explained in turn.

1.3.5.1 Consistent in the minor. Agents who act from a virtuous character signal to us a more thorough understanding of morality. They show an appreciation for why an action is praiseworthy beyond just getting the action right. If agents have this understanding and appreciation, we would expect them to not ignore minor issues—we would expect them to be praiseworthy in minor issues consistently. Acting consistently is important because it signals an awareness of the importance of minor ethical matters (discussed in section 1.3.1). Consistency shows that the agents are aware that minor issues count, add up, and can grow into major issues. If agents are virtuous, they will show consistency in important minor ethical matters to a greater degree because their character sees their importance and desires to get them right. In summary, we want agents to be a certain way—developed in their character—because we want to rely on them. If they appreciate the praiseworthiness of being virtuous and understand morality more thoroughly, they will get minor ethical matters right more consistently.

1.3.5.2 Valuing the minor. Agents who act from a virtuous character allow us to trust them. If we observe agents getting the minor issues right consistently we will deduce that they take morality seriously. We want to work around people who value morality. Part of it is feeling comfortable around virtuous agents and being able to trust them with the small things, and part of it is the importance of honest agents putting us at ease so we can be more productive in the right ways. But most importantly is that we

admire trustworthiness and find their commitment praiseworthy. An agent who takes morality seriously shows a devotion to the community's purpose and positive values. The opposite of an agent being committed to morality and how it creates a solid community is the hypocrite. The hypocrite undermines our commitment to morality and its role in forming a community. So an agent with virtuous character, showing commitment to getting the minor ethical matters right, signals an overall commitment to morality as a whole. This is as valuable as performing praiseworthy action. Now I will explain reason (3).

1.3.6 Improving action in ethical issues

The third reason is "(3) dealing with issues from a character standpoint potentially improves the agent's dealing with minor ethical matters in business." This claim follows if reasons (1) and (2) are true. Part of (1) is that virtuous agents better see the ethical presence in minor ethical matters. Part of (2) is that agents with virtuous character understand morality at a deeper level. Put them together and it follows that agents in business would improve their action in minor ethical matters if they think in terms of the virtues. If an agent could see the moral aspect of an issue, and appreciate the importance of this moral aspect to their excellence, and the good of the community, they would deal with minor ethical issues more conscientiously. And that would potentially improve performing those matters in a praiseworthy manner.

Furthermore, if agents had more awareness of the ethical presence in issues and a more thorough understanding of morality, then there could also be improvement in major

ethical matters as well. While I have previously claimed that major issues are generally clear and easier to see the moral presence in them, it of course does not follow that there is no room for improvement. Following are two ways being better at minor ethical matters could help the agent in major ones.

1.3.6.1 Being better at the major. The improvement in getting major ethical matters right could come about for a couple of reasons. First, a greater awareness of the ethical presence in minor issues might well cause a greater consideration of the ethical presence in major issues. The improved ability to see the ethical presence in opaque situations could only help the agent see even better in clear situations. Likewise, a greater appreciation and understanding of praiseworthiness would show agents how to get more major ethical matters right and how to do them in the right way. In particular, it would help agents in difficult major issues to choose the right thing. Manipulation, substantial personal gain, and fear of retaliation are some of the reasons agents do not choose to do the right thing even though the situation is perceived to be serious. Agents with virtuous character are more likely to have the moral courage to do the right thing for the right reason in tough situations.

1.3.6.2 Preventing the major from happening. Another way of helping agents deal with major issues is the mirror image: avoiding mistakes in minor issues helps prevent the transfer of these mistakes to similar yet major issues. This is an important claim so I want to look closely at a case that proves the point. The following illustrates the point with the case of the politician Jeff Smith who first approved of staff cooperation with an “independent expenditure” producing a political mailer or postcard—knowing

that such coordination was illegal. But he did it because, while technically against the rules, he failed to see the ethical dimension to it. Here is the story presented by a narrator:

This was Jeff's first sin. The minute he knew that his staff people were coordinating to produce an independent expenditure, he was complicit in this illegal act. And he knew that. But as sins go, especially political sins, it didn't seem that bad—the political equivalent of jaywalking. Jeff figured, this is the sort of thing that happens all the time.¹³

And here, in Jeff Smith's own words, is his appraisal of the minor nature of the issue and the lack of any ethical dimension in his action: "Over the course of the whole campaign, I didn't think about it for more than 15 minutes probably. It was just one more decision in a long string of decisions that you make every day."¹⁴ However, the origin of the postcard was investigated—again here is the narrator telling the story:

Some time later, Jeff received a copy of the FEC complaint in the mail. He showed it to his lawyer, and she prepared an affidavit for him to sign, an affidavit claiming Jeff Smith had no knowledge of who was behind the postcard. This, of course, was not true. But Jeff signed it anyway. Now, this was a big step. Making a false statement on an affidavit in response to a federal investigation—that took him out of wrist slap territory and into potential prison territory.¹⁵

And again, in Jeff Smith's own words, is him not seeing the ethical presence of lying to a federal investigation by excusing this major issue as a cover up of a mere minor issue:

And so for a variety of reasons—none of which I say to excuse my terrible mistake—I just went ahead and signed it. I just figured, I did an instant calculation in my head. I know there's hundreds if not thousands of these situations across the country every election cycle. There's always accusations of coordination. Most of the time, they're probably right. But it's probably not provable. And I will assume this complaint will just fall into that huge stack that they'll look into, not be able to figure anything out definitively, and that'll be

¹³Alex Blumberg, "Mortal Vs. Venial," [This American Life](#) 91.5 WBEZ FM, April 27, 2012.

¹⁴Jeff Smith, "Mortal Vs. Venial," interview by Alex Blumberg, [This American Life](#) 91.5 WBEZ FM, April 27, 2012.

¹⁵Alex Blumberg, "Mortal Vs. Venial," [This American Life](#) 91.5 WBEZ FM, April 27, 2012.

that.¹⁶

The narrator provides this analysis to why Jeff Smith did what he did: “But Jeff didn't really appreciate the magnitude of this much larger crime because it was still linked, in his mind, to that smaller, original one, that technically illegal coordination over a postcard.”¹⁷ The narrator's analysis is very likely correct. Ignoring or not seeing the ethical presence in minor issues can carry over to issues that are similar in kind or theme. Pilfering small amounts of office supplies, once accepted, can lead one to overlook fudging much larger amounts in the expense account—it is just something else there for the taking.

In summary, if agents can see the ethical presence in minor ethical matters better and have a deeper appreciation for morality, they are likely to be better at getting ethical issues right. They will more often get minor ethical matters right, which are important. Also, by doing better at minor ethical matters, they can improve their performance in major ethical matters. Or, the mirror image of this, they can avoid getting major ethical matters wrong by avoiding getting earlier, similar minor ethical matters wrong.

1.4 A virtue ethics critique for the business domain

Before ending this chapter, it should be noted that problems could result from focusing too much on minor issues and ignoring major ethical matters. The sentiment of “missing the forest for the trees” is an apt warning to not get absorbed in the details to the

¹⁶Jeff Smith, “Mortal Vs. Venial,” interview by Alex Blumburg, [This American Life](#) 91.5 WBEZ FM, April 27, 2012.

¹⁷Alex Blumburg, “Mortal Vs. Venial,” [This American Life](#) 91.5 WBEZ FM, April 27, 2012..

point of missing the big picture. One could easily imagine the following happening in a business scenario: managers strive to keep themselves and their employees to high standards in minor ethical matters, because the execution is feasible, while turning a blind eye to a major issue because they are afraid or unsure of how to tackle the problem. It is certainly possible to use getting the minor issues right as a cover or a psychological excuse to ignore more important issues. I admit that an overemphasis on minor ethical matters could lead to undesirable consequences. And so to be clear, my argument in section 1.3.2.1, that “agents in business are more likely to see major ethical matters as moral because of the vivid presentation of the seriousness,” should not be taken as a claim that major ethical matters will “take care of themselves.” That being said, this dissertation will not deal with the potential problems that a mindfulness of minor ethical matters could have on major ethical matters. In this dissertation, I am taking the first step of advocating for awareness of minor ethical matters in the business domain, and if needed, further work could be done on getting the right balance between minor and major ethical matters or not taking the awareness too far, etc.

In section 1.3, my argument began with the claim that minor ethical matters are important. I continued with the claim that in the business domain, minor ethical matters tend to be ignored. Together, these claims establish that business ethics is ignoring something important. A good way to address this deficiency is a virtue ethics analysis. Such analysis captures the presence of opaque minor issues, reveals a desire for others to deal with minor issues from their character, and potentially increases praiseworthy action in dealing with minor issues. Therefore, business ethics can profitably approach dealing

with important minor ethical matters with a virtue ethics critique. First, I will use the philosophy of Mencius to explore the theme of major and minor ethical matters. Then, I will do an extended virtue ethics analysis of different cases and examples looking at the virtue of honesty, the vice of hypocrisy, and the virtue of candidness.

CHAPTER 2

MINOR ETHICAL MATTERS IN THE *MENCIUS*

2.1 Introduction

Mencius' philosophy emphasizes the importance of self-cultivation to become virtuous. His view of self-cultivation is perhaps best described as an organic process of growth like that of a plant: our intuitive moral sense or "moral sprouts" (*duān*, 端) start small and weak and will grow big and strong only if they are tended to correctly. One interpretation of how to tend our moral sprouts correctly is that we should start with minor ethical decisions in order to build up to major ethical decisions.¹ Since our sprouts are weak when they are small, so goes the reasoning, it is dangerous for us to try to take on major ethical matters in the beginning of our moral development. Thus, the best method of self-cultivation working toward a virtuous character is to start with minor decisions and gradually work up to major decisions—much in the way a sprout organically grows into a sturdy plant. At first glance, this view of self-cultivation makes perfect sense. In particular, it seems right that children and adolescents need gradual

¹For an example of this, see Philip J. Ivanhoe, *Confucian Moral Self Cultivation* (Indianapolis: Hackett Publishing Company, Inc., 2000), 21: "If, in the initial stages of development, one forsakes the simple acts and attempts something of grand proportion, even if one succeeds in doing the grand deed, the likelihood is that one will on some level *regret* doing it. This can cause one to resent the entire process of moral self cultivation..."

ethical training and moderate moral tests to become virtuous; sudden exposure to serious, weighty moral decisions could be shocking and harmful.

However, it is possible that after one reaches a certain level of agency the role of minor and major ethical matters gets reversed: the real challenge of one's virtue becomes to get the minor ethical issues right. In this chapter, I will offer just this view by showing Mencius arguing that minor ethical decisions are more difficult to see clearly and it is more praiseworthy to act on them correctly. Mencius recognizes that as adults, we need to build our moral intuition to handle not just clear moral decisions but opaque moral decisions. We need to become virtuous, which necessitates developing our intuitive moral sense to see opaque ethical matters for what they are. However, Mencius thinks that clear moral decisions are more likely to involve major issues, and opaque moral decisions are more likely to involve minor issues. If this is correct, while Mencius regards the eventual payoff of self-cultivation to be able to make "heroic" moral decisions that are clear, he also regards the eventual payoff of self-cultivation as being able to make opaque, minor ethical decisions.

Let me be clear that I am not making a historical analysis claiming that this interpretation of the *Mencius* is *the* correct reading of the text; rather, I am offering a plausible interpretation of the text in order to introduce and explore an important and interesting topic in ethics. The ethical topic is the role of character and the virtues in handling minor ethical matters. In using the concepts of major and minor ethical matters, Mencius provides some great philosophical insights, so I think we can learn much from what he does; however, my final analysis will be that Mencius uses "major" and "minor"

in ambiguous ways that we should not follow exactly. So after a thorough look at how Mencius uses the terms “major” and “minor,” I will propose in section 2.3.3 to follow Mencius in employing these concepts but clean up the ambiguity. My proposal will be to use “major” and “minor” as exclusively indicating the degree of seriousness of the issue, while incorporating Mencius’ ideas that minor issues are important and that getting minor ethical matters right deserves more than minor praise.

2.2 Two passages in the *Mencius*

There are two passages from the *Mencius* that I will interpret as using the distinction of major and minor ethical matters.

2.2.1 Passage 6A10

The first passage I will focus on is 6A10.²

Mencius said, ‘Fish is what I want; bear’s palm is also what I want. If I cannot have both, I would rather take bear’s palm than fish. Life is what I want; dutifulness is also what I want. If I cannot have both, I would rather take dutifulness than life. On the one hand, though life is what I want, there is something I want more than life. That is why I do not cling to life at all costs. On the other hand, though death is what I loathe, there is something I loathe more than death. That is why there are troubles I do not avoid. If there is nothing a man wants more than life, then why should he have scruples about any means, so long as it will serve to keep him alive? Yet there are ways of remaining alive and ways of avoiding death to which a man will not resort. In other words, there are things a man wants more than life and there are also things he loathes more than death. This is an attitude not confined to the moral man but common to all men. The moral man simply never loses it.

‘Here is a basketful of rice and a bowlful of soup. Getting them will mean

²The book the *Mencius* has been labeled for reference into seven books containing two parts (A and B) each, which are then broken down into chapters. So “6A10” is the tenth chapter of the first part (A) of the sixth book in the *Mencius*.

life; not getting them will mean death. When these are given with abuse, even a wayfarer would not accept them; when these are given after being trampled upon, even a beggar would not accept them. Yet when it comes to ten thousand bushels of grain one is supposed to accept without asking if it is in accordance with the rites or if it is right to do so. What benefit are ten thousand bushels of grain to me? [Do I accept them] for the sake of beautiful houses, the enjoyment of wives and concubines, or for the sake of the gratitude my needy acquaintances will show me? What I would not accept in the first instance when it was a matter of life and death I now accept for the sake of beautiful houses; what I would not accept when it was a matter of life and death I now accept for the enjoyment of wives and concubines; what I would not accept when it was a matter of life and death I now accept for the sake of the gratitude my needy acquaintances will show me. Is there no way of putting a stop to this? This way of thinking is known as losing one's original heart.³

There are many things going on in this passage. To begin with, although human nature is not mentioned in this passage, Mencius argues elsewhere that we have a human nature that guides us to be certain ways. He holds the position that fundamentally, we are moral beings that are naturally compassionate toward others. So in this passage, Mencius is stressing that we desire some things more than others based on our nature. For example, most people along with Mencius would find bear's palm tastier and thus more desirable than fish. Analogously, although we highly desire life, Mencius claims we desire righteousness (*yi*, 義, what Lau translates as "dutifulness") even more than life. So being righteous is inherently and highly desirable. As Mencius points out, life is more valuable if we live it correctly as opposed to just living to stay alive or avoid death. Mencius' example of this is a beggar refusing food that is offered with contempt. The beggar will not accept the food even though he needs the food to stay alive. The desire to be a righteous person is stronger than the desire to hang onto life.

The situation of the beggar is then compared with that of someone accepting

³Mencius, Mencius, trans. D.C. Lau (London: Penguin Books, 1970), 166-167.

wealth without regard for how it is offered or if it is proper to receive it. There is a contrast between these two situations: one does not accept life-giving sustenance improperly, whereas there is something about the desirability of luxuries which makes one accept impropriety. On the point of which item is more significant, Mencius is clear—luxuries amount to petty gains compared to life and death. At this point, we are left with a puzzle: why do we reject items needed for life that are connected with impropriety but readily accept less important items that are connected to impropriety? Said another way, why do we seek to gain such items without righteousness? Mencius needs to give us some answers as to why our intuitive moral sense handles situations of life and death better than handling luxuries.

Part of the explanation is that our desires for material goods distract us from our moral intuition and making correct moral decisions.⁴ There is something about luxuries that interferes with our seeing the ethical presence of the situation. Even though they are insignificant and superficial, the highly desirable nature of luxuries (and the prestige they bring) is a difficult temptation to manage.

However, there is more going on. Note that in 6A10, Mencius repeats the phrase “what I would not accept when it was a matter of life and death” (xiang wèi shēn sǐ ér bú shòu 鄉為身死而不受) three times—there is obviously a point of emphasis here. My analysis is that Mencius thinks that what is necessary for life makes the situation a major ethical matter. Yet at the same time, Mencius makes it look like these major ethical matters in this passage are clear, making the right moral decisions easy. By contrast,

⁴David S. Nivison, *The Ways of Confucianism* (Chicago: Open Court, 1986), 141.

Mencius regards the acceptance of luxuries as minor ethical matters because they are much less serious than life or death. And here we see the opposite assessment of major ethical matters: minor ethical matters are opaque and difficult to get right. So my analysis of 6A10 is that Mencius thinks minor ethical matters, while less serious, are the tough issues that we have to worry about. Minor issues are opaque and it is easy to miss the ethical presence in them. Using Mencius' example, minor ethical matters such as excess commodities that can lead to luxuries and prestige, while less serious than issues of life and death, are the true challenge for the virtuous. Thus, a moral analysis needs to explicate the importance of being righteous in minor issues.

2.2.2 Passage 7A34

The second passage where Mencius uses the distinction of major and minor ethical matters is 7A34.

Mencius said, 'Everyone believes that Ch'en Chung would refuse the state Ch'i were it offered to him against the principles of rightness. But what he calls rightness is merely the rightness which refuses a basketful of rice and a bowlful of soup. No one considers the neglect of parents and the denial of relationships between prince and subject and between superior and inferior as laudable. How, then, can we take on trust his conduct on important issues simply on the strength of his conduct in minor matters?'⁵

Ch'en Chung is a figure that is characterized earlier in the *Mencius* at 3B10. He was thought of by some to have the reputation of being a *lián shì* (廉士), or a "man of principle," as in the type of official who could not be corrupted. While Mencius concedes that Ch'en Chung is a man of intellectual talent, Mencius characterizes him as a self-

⁵Mencius, *Mencius*, trans. D.C. Lau (London: Penguin Books, 1970), 189-190.

righteous person who treated his family very poorly under the guise of being principled. Ch'en put on airs of rejecting his background so that he could see himself as morally pure. His family was wealthy and connected, but he pretended not to be associated with his family and instead, imagining it a standard of moral purity, wanted to be seen as a mere commoner who is self-sufficient and unconnected. This is why at the end of 3B10, Mencius compares Ch'en Chung to an earthworm.⁶ And as W.A.C.H. Dobson explains, this behavior led him to be labeled “a traitor to his class.”⁷ The main point here is that although Ch'en Chung ardently *shows* moral principles, he is not a man who has or understands true moral principles. In short, he is not cultivated enough to be a fully virtuous agent.

With this information, the meaning of 7A34 is clear. Mencius judges Ch'en Chung as someone who makes obvious or easy moral decisions but is not cultivated enough to make difficult ones. Similar to 6A10, Mencius contrasts serious issues with those of minor seriousness; however, dissimilar to 6A10, here in 7A34, Mencius seems to be claiming the opposite—minor issues are the easy ones to handle correctly. In the next section, I will clear up this apparent inconsistency.

2.3. Mencius using major and minor ambiguously

I am interpreting both 6A10 and 7A34 to be making the distinction between major and minor issues, but the text seems inconsistent about which is opaque and difficult, and

⁶Bryan W. Van Norden, *Mengzi: with selections from traditional commentaries* (Indianapolis: Hackett Publishing Co., 2008), 87.

⁷Mencius, *Mencius*, trans. W.A.C.H. Dobson (Toronto: University of Toronto Press, 1963), 120.

which is not. In 6A10, it seems to be that minor ethical matters are opaque and difficult to get right. But in 7A34, it seems that getting minor ethical matters right is not a noteworthy accomplishment—from this, we would *reasonably deduce* that minor issues are not opaque and relatively easy to get right.

Clearing up the seeming inconsistency can begin with analyzing the situation of refusing “a basketful of rice and a bowlful of soup,” which is refusing food in a situation where it concerns life or death. In 6A10, Mencius regards acting properly in this situation as clear (not opaque) and easy, and in 7A34, he does the same. But notice that in 6A10, he thinks situations of life and death are clear and easy *because* they are major ethical matters. By contrast, in 7A34, he regards situations of life and death clear and easy *because* they are minor in some way. The other situations are luxuries and social relations—in 6A10, Mencius considers them opaque and difficult because they are minor ethical matters; by contrast, at 7A34, Mencius seems to regard luxuries and social relations as opaque and difficult because they are major in some way. In the following paragraphs, I will clear up these inconsistencies by showing that in one case (6A10), Mencius is arguing about *serious matters and their impact*, and in the other case (7A34), he is arguing about *praiseworthiness*.

2.3.1 Situations of greater seriousness

In 6A10, Mencius is focusing on the weightiness or seriousness aspect of living without dignity versus dying with dignity. Here he argues that almost anyone will grasp the ethical presence of one’s fundamental dignity being more important than one’s life.

Because the situation involves existence versus dying, it is by definition serious or a major ethical matter; Mencius thinks this characteristic strikes our moral intuition as being serious. So because it is a major ethical matter, even the wayfarer sees the clear ethical presence in the issue, which means the matter is clear and easy to perform the right action. Thus, in 6A10, Mencius regards major/minor issues *being major or minor based on the seriousness of the issue*.

In 7A34, by contrast, Mencius is focusing on the praiseworthiness of getting the action right. When Mencius states “the strength of his conduct on minor matters,” he is referring to refusing the governorship of the state of Ch’i, and equates this with refusing a basketful of rice and a bowlful of soup. It would be very odd if Mencius were labeling the governorship of a state and sustenance needed for life as minor matters, meaning they are not very serious. A fitting interpretation of what he means by “minor” in this context is how praiseworthy it is for Ch’en Chung for refusing the state of Ch’i. Again, Mencius argues (quite rightly) that because everyone is watching and Ch’en Chung is trying to make a show of his actions, turning down the post is only moderately praiseworthy. This is parallel to the attitude Mencius has in 6A10 when he says “even a wayfarer”: we would only give moderate praise to the wayfarer who turns down sustenance given with contempt. In short, getting these issues right is not a good indicator of the level of self-cultivation. Thus, in 7A34, Mencius regards major issues as *ones justifying higher praise for handling difficult issues*, while minor issues are *ones justifying lesser praise for handling easy issues*. Therefore, the concepts “major” and “minor” are used one way in 6A10 and in another way in 7A34. Before concluding on how this ambiguity of major

and minor should be dealt with, situations of lesser seriousness will be analyzed.

2.3.2 Situations of lesser seriousness

Situations of lesser seriousness include the issues of luxuries and social relations. In 6A10, Mencius regards luxuries (gained with perhaps questionable justice) as a minor issue of less serious importance compared with a matter of life and death. Along with being a minor issue, it seems to follow that the matter is an opaque one where grasping the ethical presence is not easy. So Mencius is arguing that performing the right action on a minor issue can be difficult if the ethical presence of the issue is missed. It should be noted that although questionably gaining luxuries is a minor issue, it is important. One of the main themes of 6A10 is that gaining luxuries righteously is a matter of moral concern even though many overlook it.

In 7A34, Mencius is arguing that Ch'en Chung is not a trustworthy, virtuous person because he shows impropriety in his relationships with his family and class members. These shortcomings by Ch'en are minor compared to matters of life and death or governing properly. But Mencius calls them important because filial piety and properly maintaining relationships are the critical ground-level details that lead to a proper society. To put it into a Confucian slogan, if the family members are virtuous and thus the family relationships are well-ordered, then the state will flourish. Therefore, getting social relationships right is highly praiseworthy because they are daily, minor issues—and that makes them opaque and difficult—but their eventual impact is not to be overlooked.

2.3.3 Following Mencius but clarifying the philosophy

In summary, sometimes Mencius uses the concepts “major” and “minor” to mean the seriousness of the matter. At other times, he uses the concepts “major” and “minor” to mean the praiseworthiness of getting the action right—an easy issue justifies minor praise while a difficult one justifies major praise. Even though Mencius uses major/minor ambiguously, he is consistent with giving the same characteristics to the same situations. Situations of life and death are serious; they are also clear, easy to get right, and because they are easy to get right are only moderately praiseworthy. On the other hand, situations of luxuries and relationships are less serious; they are also opaque, difficult to get right and because they are difficult to get right are highly praiseworthy.

I propose to use “major” and “minor” exclusively indicating the degree of seriousness of the ethical matter. But by doing so we should not lose Mencius’ insights that minor ethical matters are important and getting minor issues right deserves more praise than first thought. So instead of using the terms “major” and “minor” to cover these concepts as well, to keep things clear, I propose the following. We can recognize getting minor ethical matters right as “important” because they are important to get right even though they are not as serious as major ones; in addition, we can recognize getting minor ethical matters right as “substantially praiseworthy.” With terms clear, we can see how these concepts of major/minor seriousness, importance, and praiseworthiness interact. I will address these themes in section 6 after meeting possible objections and finishing the analysis of 6A10 and 7A34.

2.4. Possible objections

Further examination of 6A10 and 7A34 should show the interaction of major/minor seriousness, the importance of getting minor issues right, and praiseworthiness. Following are some possible objections to my analysis and how I resolve them.

2.4.1 Passage 6A10 is about our intuitive moral sense

It could be argued that in 6A10, what Mencius is really trying to show is that having clear moral decisions proves that we have a natural intuitive moral sense. Mencius' most prominent examples to prove the presence and goodness of our intuitive moral sense are 1A7 and 2A6,⁸ and both involve situations of life and death. That these passages are Mencius' best argument for our intuitive moral goodness and that they are all about life and death is not a coincidence. So it is true that 6A10 and these other passages do argue for one of his most crucial philosophical positions about our moral psychology being fundamentally good.

But of course Mencius can be arguing for more than one thing in any given passage. At the same time, these issues of life and death (along with 6A10) *are* major ethical matters, and because they are major, they are clear moral decisions that almost anyone will make correctly. So while critical to Mencius' philosophy and proof of what kind of human nature we have, handling such issues correctly is moderately praiseworthy. Getting these matters right proves that all individuals have moral potential to build on;

⁸1A7 is about a king who is moved to pity just before an ox is sacrificed. Mencius uses it to prove that the King has a naturally good intuitive moral sense and thus has potential to become a true king. 2A6 is Mencius' famous "child on the verge of falling into a well" example. He uses it to argue that anyone would feel compassion for the life of the child, proving a naturally good intuitive moral sense.

but getting these matters right is not the challenge for the self-cultivated, virtuous individual.

2.4.2 Luxuries in 6A10 are major not minor

There is a question of whether the luxuries gained with large amounts of grain should really be counted as minor. The implication in 6A10 is that such luxuries were not obtained “in accordance with the rites.” So while it is true that compared to an issue of life and death this issue is less serious, perhaps ill-gotten luxuries should be considered major instead of minor. Putting it in our cultural context, it could be implying that the luxuries were obtained with bribery, graft, or embezzlement. And no matter how the luxuries were obtained, their worth is huge (it is not the case of pilfering a few basketfuls of rice).

However, I think the gaining of luxuries is best described as minor for the following reason. Mencius implies that gaining the luxuries is improper but something one might well get away with. Put in our current cultural context, it is something that is not illegal and is accepted practice but should be seen as shameful. An accurate analogy would be the following: executives in finance and banking awarded themselves millions in bonuses after losing billions of dollars and necessitating a public bailout to save the existence of their industry. A fair assessment would be that such executives were at least partially blameworthy for the failings of their industry, and they should not be rewarded with luxuries for their failures. Many feel outraged at their lack of shame. But considering the moral aspect of their taking bonuses without shame, the issue would be

categorized as minor: they did not steal the money, and by contract, they were owed what they got. And in many cases, direct harm to others is not apparent.⁹ If Mencius is thinking about this kind of action, it would be correctly characterized as minor. Although they are different cases, I argue that stealing a small amount from the company can be seen as morally similar in seriousness as legally accepting a large amount from the company that you do not deserve. Both are moderately shameful. And if both are minor ethical matters, then both are opaque where seeing the ethical presence in the issue is difficult.

2.5. Final thoughts

In 6A10, Mencius is trying to get us to see the clarity of major (life and death) ethical matters in order to show us, analogously, that minor ethical matters have an ethical presence in them. The ethical presence in minor issues is opaque—yet important to see so we can get the issues right; and Mencius implores us to aspire to get these minor issues right. This suggests Mencius regards the goal of our moral self-cultivation, after a basic level of maturity, to develop in order to get the minor (along with the major) ethical matters right.

6A10 is also about how desires for luxuries affect our being able to see the ethical presence in an issue and act righteously. Our desires for luxuries *interfere* with our being able to see an opaque ethical presence correctly. And so interfering desires are connected to the themes of minor ethical matters being opaque. Consider the passage at 7B35:

⁹The issues of fraud in the mortgage industry or deceiving investors (e.g., Goldman Sachs) are different and obviously major issues. One could perhaps argue that the U.S. financial industry's role in our society has become so unjust that many parts of it (such as executive compensation) have become essentially moral issues and serious major ones, but that is another strand of argument that I am not considering here.

Mencius said, ‘There is nothing better for the nurturing of the heart than to reduce the number of one’s desires. When a man has but few desires, even if there is anything he fails to retain in himself, it cannot be much; but when he has a great many desires, then even if there is anything he manages in himself, it cannot be much.’¹⁰

What Mencius means is that having few desires will protect what moral sense we have. More importantly, many desires will interfere with what moral righteousness we may have as part of our intuitive moral sense. What *kind* of desires are under consideration can be an important issue. Recalling an earlier example from 7A34, the desire to be seen as righteous without being fully virtuous is dangerous. Such desires result from the problem of not being able to see opaque moral issues because moral judgment is lacking. In other words, the moral judgment, while present, has not been refined. The point of self-cultivation working towards virtuousness is developing one’s moral judgment that will see intuitively the ethical presence of the issue. When one is virtuous, then one will lack certain desires that inhibit one from seeing the ethical presence in minor, yet important, ethical issues.

The virtuous, thinks Mencius, will be better able to see these opaque issues and thus succeed in performing right action. These ethical matters do not fit the model of heroic, major decisions (resulting in life and death for example); rather, these matters are of the minor variety. But even though these decisions are minor and are not heroic major decisions, Mencius thinks they are in the long term quite important, because if social relations are well ordered, then the state will be well ordered. This is Mencius’ philosophy crystallized—what self-cultivation toward virtue aspires to do: develop our

¹⁰Mencius, Mencius, trans. D.C. Lau (London: Penguin Books, 1970), 201-202.

natural intuitive moral sense to go beyond the easy matters to properly manage the detailed social relations creating a magnificent society.

2.6. Summary and implications for business ethics

In summary, Mencius has demonstrated that it is useful to think of ethical matters in terms of being major or minor with regards to their seriousness. This theme will be investigated in the next three chapters. He also understands that even though minor ethical matters are less serious, they are important to get right for various possible reasons, which will also be investigated. Finally, Mencius seems to think that at least in some situations, minor ethical matters are highly praiseworthy to get right, but major ethical matters are only moderately praiseworthy to get right. I will not follow Mencius as strongly on this point, but will argue for a weaker version of this position. Getting major ethical matters right is highly praiseworthy because they are serious issues, but often they are not strong indications of character. Mastering minor ethical matters is also highly praiseworthy—perhaps not always as highly praiseworthy as getting major ethical matters right, but substantially higher than would be assumed by considering only the seriousness or minor quality of the issue. The next three chapters will illuminate why this is so.

The investigation of 6A10 and 7A34 in the *Mencius* should strike a chord with themes in business ethics. The temptation of illegal but small gains or legal but improper gains should be seen as ethical issues; likewise, the importance of properly performing social relations often has ethical dimensions, and it is important to recognize the impact

they have. So if we want agents in business to better see the ethical presence in minor ethical matters, we should get them to see these matters in terms of the virtues (this is reason (1) as explained in the overview section 1.3.4). Getting minor ethical matters right shows a commitment to consistency and this is what we want in our coworkers; the opposite is the hypocrite who is not trustworthy and is toxic in the business domain. So if we want to get an accurate picture of our coworkers' moral trustworthiness, we should look at their conduct in minor issues (this is reason (2) as explained in the overview section 1.3.5). Getting major ethical matters right, like avoiding grand larceny, fraud, and bodily harm, is important and should be praised; getting minor ethical matters right, like petty theft or coworker relations, is also important and should also be substantially praised for recognizing the ethical presence in the issue. So if we want the benefits of having virtuous agents in business, we should promote their virtue in minor ethical matters and this can lead to improved dealings with both minor and major ethical matters, (this is reason (3) as explained in the overview section 1.3.6). To further explore these and other themes, I will focus on major and minor aspects of two virtues and a vice that frequently come up in business ethics.

CHAPTER 3

THE VIRTUE OF HONESTY

3.1 Introduction

Honesty is a virtue that applies to the context of information exchange. Without honesty, information cannot be exchanged efficiently. Practical action based on dishonesty becomes problematic: if you do not know the facts of the situation, then you cannot knowingly reach the goal of your action. So not practicing honesty makes it tougher to get things done well. Just as important, honesty prevents trouble and facilitates trust. The virtuous agent, while knowing these practical advantages to honesty, also values honesty for its own sake and sees being honest as a reflection of her or his character that is in itself praiseworthy. Virtuous agents approach information exchange from the starting point of being honest. So honesty is part of a flourishing life in both practical terms and the state of character a virtuous agent values, at least on the approach to virtue ethics taken in this thesis.

In business, there is plenty of temptation to be dishonest. And business ethics has a never-ending supply of case studies where major acts of dishonesty end in disaster. The business domain also has many instances where minor dishonesty is a temptation, perhaps more than other contexts. This is because in addition to common motivations for

minor dishonesty—e.g., sparing your embarrassed feelings of looking bad—in business, you can often make more money (in the short term) by being dishonest. So minor instances of honesty are a relevant topic in the business domain and issues of importance for this thesis.

To review why, recall from the introduction (1.3-1.3.3) that minor ethical matters are important in business. They are important because minor ethical matters can grow into large problems and on aggregate they can become large problems. Even so, business tends to ignore minor ethical matters because business is seen (wrongly) by many to be an amoral domain: so minor issues are not seen as serious nor are the penalties of getting them wrong seen as threatening. In addition, business is a competitive domain so issues of seriousness and penalties get overlooked (wrongly) in the name of competition.

Through analysis of business case studies, this chapter will show how a virtue ethics critique using honesty can give illuminating analysis to minor ethical matters. The argument will focus on two examples: a recent Harvard Business Review case study, and an example from Carr's well-known article "Is Business Bluffing Ethical?" I will use reasons (1), (2), and (3) as explained in sections 1.3.4-1.5.6 of the overview chapter to do so.

3.2. Case study number one

In the HBR case study "World-Class Bull," a salesman for Specialty Fleet Services, Christopher "Fort" Knox, feigns interest in the private life of a CFO, Dale, in

order to engineer a sales deal with Dale's company Armadillo.¹ Fort takes pictures of the Dale's prize bull (a Texas Longhorn), and sets up chance encounters that turn into Fort sharing the pictures and his high admiration for Dale's bull. Through this and other maneuvers in order to get Dale's attention, Fort builds a personal rapport with Dale and his wife, and then cleverly sneaks in the fact that Armadillo (Dale's company) would benefit from the service that SFS (Specialty Fleet Services, Fort's company) "just happens" to be selling. Fort's elaborate sales techniques are characterized as brilliant yet deceptive, and possibly unethical.

The reason that Fort's actions become an issue in the case study story is that Fort's manager, sales VP Jeremy, praised Fort's sales techniques in an email to the entire sales staff with the subject line "world-class bull." Of course the email eventually made its way to other employees of SFS. Human Resources VP Samantha (Sam), the chair of SFS's ethics review board, approaches Jeremy about not praising but rather reprimanding Fort. At this point, the story ends and four experts are asked to comment. Obviously there are two related problems for SFS: Fort's actions and Jeremy's written dissemination of Fort's actions. All of the commentators view Jeremy's lack of foresight to publicly praise Fort's deceptive techniques (in a manner that is easily spread) as more damaging to SFS. However, the commentators take different views about Sam's wanting to reprimand Fort. For my purposes, I will focus on Fort's actions instead of Jeremy's, although I will mention Sam or Jeremy in order to make a point about Fort's actions.

Fort's lapse is one of dishonesty in a professional or business situation. Dale was

¹John Humphreys et al. "World-Class Bull," *Harvard Business Review* 87 (May 2009): 35-42.

deceived by Fort intentionally misrepresenting himself. Specifically, Fort clearly faked friendship with Dale, lied about chance encounters truly being chance, and until the end did not reveal that he worked for SFS. Based on these facts, I am going to claim that Fort does not possess the virtue of honesty.

As a starting point, it should be noted that Fort's dishonesty is best described as a minor ethical matter. No laws were broken, and Fort represented his company's services that would benefit Armadillo accurately to Dale. The possible ethical consequences of Fort's deception do not come close to life and death, or widespread suffering—the worst that could happen personally to the parties involved would be Dale's feelings being hurt by being deceived. (The practical, business fallout of SFS getting the reputation of deception is additional concern, and will be covered along the way.) Since Fort's unethical actions are not of the major type, why worry about them? It could be argued that a little dishonesty like Fort's here and there does not hurt that much, so honesty in minor ethical matters should not be a concern for applied ethical theory. But I show how Fort's minor dishonesty is a topic for concern by showing how it relates to reasons (1), (2), and (3).

3.2.1 Three commentaries on case study number one

Commentator James Borg takes the view that on the whole Fort was not unethical. Borg categorizes Fort's strategy as that of persuasion and not unethical manipulation. The one action that does raise a small concern for Borg is when Fort conceals his knowledge that Dale is the CFO at Armadillo, but Borg does not explain the nature of his concern.

Overall, Borg's assessment is that this kind of concealment is a minor issue not to be worried about.

In contrast, Don Peppers and Martha Rogers cowrite a commentary taking a strong position against Fort's deceptive actions. The principle they apply in response to such dishonesty is: "Deception is never allowed in a customer relationship." While Peppers and Rogers clearly label Fort's actions as "unethical," their concern is the long-term health and success of the company, and how treating customers dishonestly endangers long-term success. They stress the importance of relationships. If a company does not have good working relationships built on trust, its relationship with its customers may not last. So Peppers' and Rogers' assessment is that honesty is important for the long-term, mutual benefit derived from a company's relationships, i.e., to a company's enduring success. Their analysis reduces the justification of being ethical to what is beneficial to the company's long-term bottom line; otherwise, it is not clear whether they think Fort's actions are unethical *period* (i.e., unethical without being grounded in prudential concerns or the welfare of the company).

The third and last commentator, Kirk O. Hanson, can be seen as the only commentator who is concerned about Fort's actions being unethical *period*, and not just destructive to the company's long-term bottom line. Hanson's objection is that Fort's motivation for befriending Dale and his wife was unethical. In short, Hanson charges Fort with treating Dale merely as a means and not as an end. Indeed, Fort *exemplifies* breaking Kant's Categorical Imperative: Fort's deception is *pretending* to treat Dale as an end while his motives were actually treating Dale as a means. The implication is that Fort

knows what is ethical and is pretending to do exactly that, in order to be effective toward his self-benefit. Hanson is equally concerned with the practical fallout on the company because of Fort's actions, but clearly holds the position that Fort's actions are objectionable on moral grounds regardless of the consequences.

3.2.2 My analysis of case study number one

I am going to argue that a different analysis than what is offered by the three commentators of "world-class bull" can be further enlightening because of the following three arguments.

3.2.2.1 Fort's actions are ethical matters. First, Fort's dishonest actions are best understood as transgressions of minor *ethical* matters. This fact makes Borg overlook Fort's unethical conduct almost entirely, but that is a mistake. Borg's attitude is representative of the attitude held by some in business that if it is a small matter, then possible ethical dimensions of the matter are overlooked. In reply, my first argument (in section 3.2.3.1) will be that a virtue ethics analysis can help us see that such small matters, despite being opaque, do have an ethical presence (this is reason (1)). Fort's dishonest actions are minor transgressions so they are opaque and difficult. Because they are opaque and thus difficult, they are matters that are not adequately covered by the company's ethical code or other explicated rules. But approaching these actions in the terms of the virtue honesty helps us to see how they are ethical matters.

3.2.2.2 Fort's actions should not be ignored. The starting point for my second argument is that Fort's transgression of seemingly minor importance can lead to problems

of major importance. Peppers and Rogers recognize this, but their analysis of Fort's actions being wrong because of the potential damage to SFS should be developed further. Peppers and Rogers' basis for their analysis is that relationships are paramount in business, and so the reason Fort's actions are wrong is that the trust between SFS and Armadillo has been sabotaged. I concur that their concern for the importance of relationships correctly identifies a salient feature of the case study. Because of this, an analysis of reason (2) can be added: Fort's coworkers and business partners (e.g., Dale) want Fort to possess an honest character. The desire for honest character is in part a desire to keep minor problems from becoming major; the other part is a desire for the agent to be trustworthy in the long term. So my second argument (in section 3.2.3.2) is that people in business around Fort want more from him than conforming to honesty *only* this one time—they want him to be honest consistently in the future and really *value* honesty. Then coworkers and partners around Fort can trust him in ongoing business relationships.

3.2.2.3 Fort can do better. The starting point for my third argument is that because of the shortcomings of explicated rules, Hanson's Kantian critique (while clearly recognizing the ethical breach by Fort) can be supplemented bringing in reason (3). If Fort develops his virtue in honesty, he can get more minor ethical matters right and prevent future major ethical problems. So my third argument (in section 3.2.3.3) is that Fort would perform more praiseworthy actions in minor and major ethical matters by having a more honest character.

Consequently, a virtue ethics analysis should be added. An analysis of Fort's character, i.e., his lack of the virtue of honesty, is an enlightening supplementary analysis

because it takes into account the opaque and difficult nature of minor ethical matters, shows our desire for him to have an honest character, and is a description of how he can improve his behavior. Therefore, to see Fort's character as lacking honesty is a clear and profitable critique supplementing Borg's amoral critique, Pepper and Rogers' practical critique, and the Kantian critique offered by Hanson.

3.2.3 Argumentation for analysis

3.2.3.1 Argumentation for Fort's actions being ethical matters. To begin with my first argument, the short-term consequences of Fort's actions would probably not be classified as significant. As stated before, if Dale had found out about Fort's deception, and cared, Dale would have had good reason to feel offended. Through Dale's eyes, Fort would be playing him for a fool, marking him as gullible. However, the men had been strangers until their recent meeting so the harm done to Dale probably would not have been that great (if they had been long-time friends, the harm would probably be much greater).

At first glance, if Dale had taken offense at Fort's dishonesty, the practical harm to both companies would assumedly be minor. Although Armadillo got a service that makes it a better company, the fact that it was operating all right without SFS's product tells us that the improvement was not crucial. On the other side, SFS landed a big contract, but from the case study description, it was not one that was desperately needed. Both companies could have survived and probably thrived without being partners.

So the reason Borg overlooks Fort's dishonesty as an ethical issue is because it is

minor, and thus opaque. To begin with, it did not occur to Jeremy that there were ethical issues with Fort's deceptive techniques, which is why he sent out the mass email. Jeremy is a fictional character, but I think him not seeing this as an ethical issue is believable, and reasonable from a certain point of view. In his words: "Where's the harm? Nobody got cheated. Nobody paid a kickback." Here Jeremy is appealing to the significance of the potential harm. Illegality is clearly not even an issue, and otherwise Fort's actions did not involve anything improper about money. For it to be an ethical issue in Jeremy's eyes, it has to have potentially significant consequences. As mentioned before, the possibility of Dale's "feelings being hurt" would only be viewed as consequentially minor. The fact that Jeremy did not see anything wrong with Fort's actions is a sign that the matter was minor and opaque.

In fact, Jeremy seems to think that there are no potential negative consequences to Fort's actions at all. This could be analyzed in two different ways: either Jeremy sees the possibility of Dale's hurt feelings and judges them not to be noteworthy, or he simply does not see the possibility of Dale's hurt feelings. If the former is the case, then clearly, Jeremy regards the issue as one of minor importance and not to be worried about. But if the later is the case, then perhaps it can be claimed that there was indeed a real ethical issue that Jeremy failed to see. Either way, the matter can be accurately described as minor and opaque. In the former case, in some sense, Jeremy sees an ethical transgression but does not label it as a concern. He makes no effort to disapprove of Fort's actions, or try to promote the opposite conduct in Fort (e.g., "do not deceive people on a personal level—you might hurt their feelings"). Indeed, Jeremy praises Fort's actions because of

the practical, business benefit. The matter is opaque because many people, similar to Jeremy, would not see the importance of taking an ethical stance on such a matter. The latter case of Jeremy not seeing the ethical transgression at all is straightforwardly opaque. Jeremy simply did not pick up on the fact that deception in a relationship could lead to hurt feelings, or Jeremy did not pick up on the fact that hurting feelings is bad. Therefore, Jeremy's believable behavior toward Fort's actions shows that the matter was opaque.

In addition, as Jeremy points out to Sam, SFS's ethical code does not technically cover Fort's actions. The SFS code states that "deceptive business practices" are unethical, but Fort's deceptions happened before SFS and Armadillo officially started business. Peppers and Rogers make a note that the SFS ethics code should be changed to cover this loophole by specifying prospects as well as customers. While this is a possible fix of a particular type of problem, the fact that Jeremy appeals to the code in a literal way demonstrates that the matter is opaque (again, I think Jeremy's move here is believable and reasonable from a certain point of view). Many people would react like Jeremy: if it is not covered by a rule, coupled with the fact that the short-term harm is not significant, it is debatable that it is an ethical issue.

Because of the matter's opacity Borg does not see Fort's actions as unethical. I speculate in assuming that Borg, if asked, would see Fort's actions generalized—potentially hurting someone's feelings in order for monetary gain—to be unethical. Therefore, I continue to speculate that Borg probably would hold the position that although Fort's actions are unethical in a minor way, such behavior is acceptable in

business. Borg might hold the position that Dale knows, or should know this, and if Dale's feelings really do get hurt as the result of Fort's sales techniques, then Dale is too sensitive. In summary, Borg's position might well be that Fort's actions are in a minor way unethical, but in the bigger picture not really wrong.

Peppers and Rogers clearly label Fort's actions as "unethical," but their analysis is entirely focused on the long-term damage Fort's actions can do to SFS. Thus, it is unclear whether they think Fort's actions are blameworthy, i.e., whether they are worried about the harm Fort could do to Dale. It is possible that they also hold that Fort's actions are blameworthy and they do not mention it, focusing on the greater potential harm to SFS. Whether this is the case, or on the other hand they do not consider Fort's blameworthiness a major enough issue, their omission of condemnation of Fort's ethical blameworthiness shows the ethical matter to be an opaque one. I speculate that if asked to comment on a matter where Fort murdered a potential client, Peppers and Rogers would not just be concerned with the effect on SFS. Naturally, they would be shocked, and condemn Fort's blameworthiness. In addition, they would show condemnation of Fort's harm to his victim and the victim's family. Murder, being a matter of major consequences, is clear. But deceiving another about the purpose of a new friendship is opaque.

My conclusion is that a virtue ethics critique—one that takes into account the opaque and difficult nature of minor matters—is a helpful analysis of Fort's actions. As an initial point, a virtue ethics approach focusing on Fort's honesty is a more accurate way of understanding why Fort acted as he did. Fort deceived Dale because it was seen as

a more effective way to get Dale to buy SFS's services. The fact that it was dishonest was not an important issue compared to a beneficial outcome for himself and the company.

While being honest may seem clearly the best course of action in hindsight, being honest in the short term (and thus increasing one's burden) in order to simply do the right thing and minimize long-term risk is an opaque matter, and thus difficult to act on correctly. A virtue ethics critique recognizes the fact of opacity by describing Fort's moral judgment as lacking the value and practice of honesty.

Fort's actions were not technically covered by the SFS ethics code. Fort presumably cares about following the letter of the rules. But because he failed to apply the spirit of the rules to his situation, he is a person deficient in honesty. An honest person would see that the ethics code makes a case for deception being bad, and apply the virtue of being honest to a potential customer. Fort does not apply the virtue of honesty to this unique situation because the matter is opaque. But he is not the only one—the fact that after the incident Jeremy tries to deflect any wrongdoing of Fort's by a literal reading of the rules shows that Jeremy is deficient in honesty as well. This probably points to an atmosphere where Jeremy is giving signals to his staff, explicit and implicit, that following the rules by the letter is what matters (and exploiting their loopholes will be tolerated). This makes Jeremy complicit in Fort's behavior because Jeremy is setting up ethical situations as opaque, and thus ethical matters are meant to be maneuvered around instead of understanding and valuing the spirit of the rules. Overall, a virtue ethics analysis clearly represents Fort's thinking process and more importantly what it was lacking.

3.2.3.2 Argumentation for Fort's actions not being ignored. The longer-term consequences of Dale finding out about Fort's actions, and then taking offense, are important to consider. Peppers, Rogers, and Hanson focus on this issue, but Borg does not bring it up. As is voiced by the character Sam, the chair of SFS's ethics review board, the potential problems caused by Fort's actions could be significant. SFS's reputation could be seriously damaged. Their ability to deal with their current and future customers could be hampered. Whether true or not, if other companies (let alone Armadillo) came to believe that employees of SFS clearly deceive the executives of other companies on a personal level, their dealings in business would certainly be suspect.

In addition, as Sam points out, not censoring Fort's behavior is encouraging the rest of the sales staff to imitate Fort and even try to outdo him. Quite simply, tolerated or praised unethical behavior, even though by itself minor, encourages proliferation that may on aggregate become significantly harmful. Hanson stresses this fact by citing the historical example of E.F. Hutton suffering the effects of spreading fraudulent check schemes after one branch was praised for making its cash flow look better than it was: if contained in one branch, the damage would be minor, but after it spread, there was significant harm done to the whole.

It should be noted that both types of minor transgressions turning into major problems are clearly represented by the SFS case study. The danger of minor, short-term consequences turning into long-term, major consequences is represented by the threats to SFS's reputation in dealing with Armadillo and other companies. In addition, the danger of small transgressions multiplied many times is represented by the threat of SFS's sales

staff all acting in the manner of Fort. So we can see that Fort's actions demonstrate a lack of appreciation of honesty in the short term, and lack of awareness of how dishonesty in minor matters can be detrimental in the long term.

Regarding this long-term danger that Fort represents, SFS coworkers want Fort to possess an honest character. Sam is the best example, clearly shown by her analysis of the ethical issue and pushing for reprimanding Fort. She sees the potential of minor problems becoming major ones. And she also sees the value of long-term business relationships being built on trust. Sam wants her coworkers to be consistently honest when dealing with customers to foster long-term success. The way to achieve this is to *understand* the spirit of the ethics code and apply it to all, even minor cases—to value honesty with customers and coworkers.

It is obvious that Dale also desires Fort to have an honest character. Dale invited Fort into his home and shared his personal passion with him. Professionally, Dale's role in Armadillo is the conscientious CFO who watches expenditures carefully. So by Dale's nature, it follows that he wants suppliers and other stakeholders involved in his business to be trustworthy. What this means is that Dale wants his business associates to understand honesty and value it at a deeper level, resulting in an ongoing business relationship that benefits both companies in the long term.

Regarding the nonprofessional side of their relationship, Dale sees Fort as a certain kind of friend, inaccurately, because Fort is deceiving him. Aristotle is known for distinguishing three kinds of friendships: friendships of utility, friendships of pleasure,

and true or “perfect friendships.”² Using his categories, one possible analysis is that Fort is deceiving Dale into thinking that they could potentially be true friends when Fort has no interest in becoming so. If true, this would be approaching a serious deception by Fort. It is a stretch, however, because true friendship is one where both parties know each other well and wish for each other’s good for the other’s sake. Little in the story could be interpreted as Fort trying to gain Dale’s friendship at such an intimate level.

A better analysis is one that captures Fort’s deception as a minor ethical matter, yet one that could easily lead to serious trust issues between Dale and Fort. In short, Fort’s deception is getting Dale to believe that they have a friendship of pleasure instead of a friendship of utility. Again, Fort got Dale to listen to him about SFS because Fort faked taking pleasure in Dale’s bull. So Dale thinks they are primarily friends with a mutual pleasure instead of friends that get utility from one another. When Dale learns of Fort’s deception, he will feel betrayed because the friendship of pleasure is not genuine—the fact that their companies (and by extension they) are mutually benefiting from one another will get lost in the emotional fallout. The result will probably be Dale ending business relations and thus terminating the friendship of utility. Interestingly, Aristotle does claim that friendships of pleasure and utility can exist between those of bad character³ and are commonly dissolved when no longer needed.⁴ Although these facts about friendships of utility and pleasure seem to be true, it is obviously not in Fort’s nor

²Aristotle, *Nicomachean Ethics*, tran. W. D. Ross, rev. J. O. Urmson, in *The Complete Works Of Aristotle* Volume Two, ed. Jonathan Barnes (Princeton, New Jersey: Princeton University Press 1984), 1155^b16 ff.

³*Ibid.*, 1157^a16-35.

⁴*Ibid.*, 1156^a14-21.

SFS's interest to hurt Dale's feelings and endanger their reputation on top of losing Armadillo's business. Yet this is the scenario that Fort is setting up by deceiving Dale about which kind of friends they are. So when it comes to their nonprofessional relationship, it is clear that Dale would want Fort to be honest about what kind of friends they are.

Finally, it can be argued that even Jeremy wants Fort to value honesty more substantially. This seems *prima facie* wrong because Jeremy sent out the email trumpeting Fort's deceptive yet effective behavior. But if one considers the details of Jeremy's position, one can see that Jeremy was failing to see minor deception as an ethical matter and thus blameworthy, as opposed to promoting unethical deception as praiseworthy. Details of this analysis will be in the last paragraph of section 3.2.3.3 as it follows from the discussion of how to change Jeremy's behavior.

3.2.3.3 Argumentation for how Fort can do better. Hanson, unlike the other commentators, recognizes that Fort's actions are unethical by themselves. For justification, he uses Kant's Categorical Imperative of never treating another merely as a means to an end. Fort should realize using others as a means is inappropriate in nonsuperficial relationships. Dale is a potential business partner with SFS, and as such, Fort should apply treating Dale as an end. With this basic ethical principle established, consider Jeremy's reaction upon the thought of Fort's actions being unethical: the rules do not apply in this case because, "Fort didn't violate a *single item* in our ethics code." Why did an appeal to the ethics code not cover the situation? According to the case study story, the ethics code will probably be changed to apply to the particular type of problem

generated by Fort's actions. So a clause in the ethics code giving a version of the Categorical Imperative to always treat others as an end and never merely as means should help.

One should be careful not to try to justify Fort's actions as treating Dale as an end because Fort had Dale's best interests in mind (and he had to deceive Dale in order to insure Dale's best interests). This is one of Jeremy's defenses of Fort: "Armadillo is getting a *better* service than it had before." Interestingly, this seems to be Borg's justification of why he thinks Fort's behavior was persuasion and not manipulation. Fort did what he had to do to get Dale's attention. And so Borg thinks while it is true that he deceived Dale in order to get his attention, the tactic was permissible because both Armadillo and SFS mutually benefit. If both companies win, then a little deception along the way to get it to happen is not an unethical thing.

What this incorrect application of the Categorical Imperative shows is the opacity of Fort's actions being ethical or not. Using the Categorical Imperative as Hanson suggests allows us to see that Fort's actions are unethical. But the problem of applying specific rules in this case or even broad theoretical rules (when these broad rules are meant to govern specific action) shows the matter to be opaque. So additional analysis, if it can improve action in minor issues, would be welcome.

A virtue ethics critique offers an approach to prevent behavior like Fort's, and to improve behavior for future minor ethical matters. In other words, a virtue ethics critique addresses the problem of opacity and stresses caring about the values expressed in the virtues. Fort and Jeremy need to appreciate that their error was one judgment that was not

easy to make; yet they also need to appreciate the fact that with a more developed virtue of honesty, they might well have made better choices. One goal of improving one's character should be direct undertaking to handle opaque situations better. A virtue ethics critique would show Fort and Jeremy the importance of developing their virtue of honesty because it changes their *approach* to ethical situations. The first step is to be better at identifying potential ethical situations, and appreciating that although they are opaque, they are still ethical situations because they fall under the purview of honesty.

In turn, identifying a matter as one that deals with honesty gives them tools by which to assess the matter and make proper decisions. If they then go on to make proper decisions, they realize that they were virtuous in handling the matter. This leads to the understanding that being properly honest is beneficial to themselves and the long-term health of their company. Such understanding gives them pleasure in exercising their honesty, and makes their sense of belonging and purpose stronger, which in turn can improve their sense of satisfaction and make stronger their overall performance toward the good of the company. Ideally, the result of making small strides in virtuousness can be large payoffs. But again, the catalyst for this ideal goal is recognizing the importance of being able to deal with opaque problems.

It is reasonable to speculate that both Fort and Jeremy can be characterized as honest when matters are clear by having obvious major consequences. However, if Fort had understood and valued honesty more, he might well have pushed himself to get his desired result in an honest way—this might have decreased his chance of success slightly, but as an honest person, he would have been willing to take on that burden (*particularly*

when doing so decreases the long-term risk of hurting SFS due to making a fool of Dale). And Jeremy, instead of praising Fort's deception, would see it as blameworthy and counsel Fort against it. So the case study shows that their moral improvement needs to be one of dealing with opaque matters of honesty—it is their virtue of honesty in dealing with minor ethical matters that needs to be developed.

As a simple contrast, if it were stressed to Fort that he needs to follow the ethics code carefully—and now the code has been changed to cover potential customers—it is likely that Fort will have learned nothing and will do no better handling other, unique situations. But if Fort is counseled to value honesty more by applying honesty to future, unique situations, there is a better chance he will succeed. By stressing character, and how one's actions are a reflection of one's character, the hope is to change the approach to ethical situations. If Fort improves his virtue of honesty, he will be better able to handle opaque situations that call for more refined judgment to handle properly. And as an added practical benefit, Fort would expend less energy by being honest: the burden of being successful at any (unethical) cost would be lifted and Fort could fully embrace honest success.

Not only will developing his honesty help someone like Fort be more honest next time, improving his moral judgment overall has the potential to transfer to other virtues. If Fort learns to see his ethical actions as a reflection of his character, and he values and takes pride in having a good character, his improved moral judgment in honesty is likely to influence the development of other virtues. For example, Fort might become more courageous in standing up to, or when necessary, whistle blowing on other employees

who are acting in an unethical way that can damage the company or cause great harm to others. Or considering that part of the reason Fort should be honest to Dale is a matter of respect, the awareness of Dale's feelings might cause Fort to be more benevolent and caring for others. Or Fort might become better at understanding and honoring the different kinds of friendship: again, Fort is making Dale think that they are friends based on a mutual pleasure, when in fact, Fort sees his friendship with Dale as only a friendship of utility. By understanding this, Fort might respect pleasure-based friendships more and even be more worthy for his few but important true friendships.

As a concluding thought, a virtue ethics approach is profitable because it focuses on training people and improving their character, as opposed to merely reacting to their actions. A final look at the case study can illuminate this point. All of the commentators condemn Jeremy more harshly than Fort. This is interesting because Fort was the one who performed the unethical actions, whereas Jeremy lacked the judgment by praising and making public Fort's actions. One would think the person who did the deed would be more blameworthy than the person who did not cover it up and disseminated it. Yet Peppers and Rogers clearly state that Jeremy should be fired, and Hanson implies that firing him is necessary. In the case study, Jeremy's backstory is one of the manager who has worked hard to clean up a sales staff with former major ethical problems of bribes and kickbacks. In other words, Jeremy is a proponent of ethics by being on the front line to improve SFS's long-term success by being ethical. In the case of Fort, Jeremy misses the ethical dimension of an opaque matter, and put his company at risk because of his lack of refined ethical judgment. So although Jeremy's action of spreading the details of

Fort's actions could potentially cause great harm to SFS, Jeremy's attitude has potential. Because Jeremy clearly values the importance of ethics by showing his commitment to demand ethical behavior in major matters, he is arguably a strong candidate for character improvement—and he can gain the judgment to better deal with minor, opaque matters. If Jeremy learns to see ethics as not just following rules and avoiding clear and major, short-term harm to the company, he could become an even stronger advocate and proper example for ethics at SFS. My verdict is to reprimand Jeremy for his lack of judgment, but then to train him to focus on minor ethical matters as well as major ones—appreciating how the opacity of minor matters can be difficult, but important to get right. A virtue ethics method distinctly articulates such an approach.

3.3 Case study number two

In “Is Business Bluffing Ethical?,” Albert Carr sets out to prove that deception in business is not only “ethically justified,”⁵ but imprudent not to embrace and practice. Carr's well-known article apparently condones major ethical matters such as blatant disregard for health and safety, and systematic racial discrimination. While these kinds of case studies have received due attention and response as to why they are wrong, I will focus on one of Carr's minor ethical matters—that of a job applicant lying about his reading habits to make himself a more suitable candidate.

In the section titled “Pressure to deceive,” Carr presents a case study of a job applicant that as part of a psychological test is given a list of magazines, and is told to

⁵ Albert Z. Carr, “Is business bluffing ethical?,” *Harvard Business Review* (January 1968): 144.

self-report which ones he reads and which ones he has the most interest in. The candidate immediately sees this as a trap, and instead of reporting honestly (that he has the most interest in *Ramparts*, *The New Republic*, and *Playboy*), the candidate reported that he read “five of the more conservative magazines.” Carr’s conclusion is that the applicant made the correct decision because he got the job.

The fact that the applicant got the job is important to Carr’s way of thinking because the point of using deception well in business is to benefit one’s self. Carr is explicit in his embrace of deception to further the end of the individual: those who are good at deception will be better at getting what they want. Equally important to Carr is that employees need to become comfortable with deception so that they will be psychologically well-grounded and emotionally healthy. Carr’s reasoning here is that most individuals have (and should have) a strong sense of personal morality that includes not deceiving others; however, when acting in business, individuals need to realize that deception is necessary and this is not a reflection on their personal morality—i.e., their moral integrity outside of business. In short, Carr wants businesspersons to be at ease with their deception.

In addition, beyond the individual’s self-benefit by employing deception is the benefit individual employees will bring to the company. In the example of the job applicant, there is no explicit mention of how the applicant’s deception might help the company, but at the beginning of the section, Carr states that deception can be, “in the interests of the company.” Throughout the article, deception is defended on the basis that it helps businesses make more money than they would otherwise. Thus, Carr defends and

commends the acceptance of deception for two reasons: one, it helps the individual get what they want in general, and it keeps them psychologically sound in particular, and two, it helps the company thrive.

3.3.1 My analysis of case study number two

Similar to my analysis of the first case study, I will argue that Carr's analysis of his case study is flawed by making three points that refer to reasons (1), (2), and (3).

3.3.1.1 The applicant's action is an ethical matter. First, Carr does not realize that the job applicant's deception is a minor ethical issue. For Carr, this might not seem to matter because he defends using deception in regards to major issues with the same spiritedness. However, because Carr exclusively sees being ethical as obeying laws, the following results: minor issues of deception, which are usually not covered by laws, will be disproportionately condoned. Hence, Carr has a bias of favoring deception in minor ethical matters.

Carr's example of lying on a psychological test as part of a job application does not seem like a serious issue of harm. And it is likely that the job applicant will not get caught. Thus, it is an opaque and difficult matter. So Carr's philosophy has no way of accounting for the ethical presence in opaque, minor matters. But with a virtue ethics critique, the ethical presence of minor deception can be seen (this is reason (1)).

3.3.1.2 The applicant's action should not be ignored. My second point is that once it is understood that minor deception will often survive rules and regulations, it needs to be realized that minor deception can lead to major problems. Carr does not seem

to recognize the risk. Once the risk is realized, it is common sense that the company would want an applicant with virtuous character who values honesty in work and accuracy in presenting himself to avoid such risk (this is reason (2)).

3.3.1.3 The applicant can do better. Finally, if the job applicant sees the ethical presence in minor issues and better values honesty, he will improve his performance in handling other ethical matters. His company would be better and he would be more satisfied with his work life (this is reason (3)). Consequently, a virtue ethics critique is a better analysis of the job applicant compared to Carr's amoral, bluffing critique. In addition, an analysis of the job applicant's character and virtue of honesty is a profitable analysis supplementing other possible ethical analyses: a virtue ethics critique takes into account the opaque and difficult nature of minor matters.

3.3.2 Argumentation for analysis

3.3.2.1 Argumentation for the applicant's action being an ethical matter. Carr clearly holds the position that deception in business, if it is to your advantage, is commendable because it will help you win. One of the more shocking aspects of this philosophy is that Carr does not seem to be bothered by high amounts of harm coming from deception. In other words, the fact that something is a major ethical matter (and results in significant harm to others) is not a reason not to act with deception. This being the case, it might be argued that Carr does not make the major/minor distinction at all, and my analysis of Carr not seeing minor transgressions as minor is not pertinent. In reply, I would argue even if Carr implicitly denies the distinction that I am making—*by*

simply not seeing the significance of major and minor issues—an analysis of minor ethical matters could still be relevant. In short, just because he does not recognize it does not mean it is not there.

So even though Carr does not recognize the distinction, I argue that his philosophy admits to it without knowing that he is doing so. Carr is clear that business executives should always follow the law. This is his ethical criterion: obey the laws, but if there is no law forbidding something, it is permissible. However, this makes it much more likely for major ethical matters to be impermissible—major ethical matters will already be forbidden by laws or their significant harm will cause them to be forbidden by laws in the near future. Consequently, the majority of matters involving minor deception will remain permissible because they will not be covered by rules or regulations, or minor deception will find loopholes in rules and regulations, or minor issues of deception covered by rules and regulations will not be enforced. In these ways, Carr’s philosophy endorses deception in minor issues because they will quite often be permissible. Thus, I argue that Carr has a bias in favor of deception in minor ethical matters. Now that I have established that minor dishonesty like lying on a job application (when one will not get caught) is favored by Carr, a virtue ethics critique will show a contrast.

First, right away in the hiring process, the job applicant does not care about being dishonest. He shows himself as lacking the character to see the ethical presence in lying on an application, and he only cares about the perceived advantage of getting the job. Hence, right away, the applicant is admitting that he is not the right person for the job, and/or he does not ideally want this job. His lack of care shows he is either second-rate or

not an appropriate fit. Indeed, one wonders why Carr’s job applicant *wants* a job where he has to pretend to be a non-intellectual-with-no-liberal-leanings-conservative-business type. Getting such a job commits him to continue his vice of deception to fit in as an employee. If he is comfortable with such a scenario, then his lack of virtue in honesty is evident, and his character is deficient. By contrast, it is reasonable to assert that most high-level applicants will not want a job that they have to represent themselves dishonestly to get (this is of course different than appropriately promoting your skills —“talking up your qualifications”). High-level applicants are good enough, and appropriately proud enough, to present themselves honestly. To summarize this point, starting the application process with a case of minor deception shows a lack of identification and appreciation, due to the opacity of the matter, that such deception is in fact unethical and represents him poorly.

Here is one more consideration about opacity. Carr is clear that success in business is helped by the *appearance* of being ethical: “the better his reputation for honesty, integrity, and decency, the better his chances of victory will be in the long run.”⁶ But Carr’s concern with appearances does not help him to see the ethical presence in minor deception. The opaque quality of minor deception causes his blindness: the kind of lie of what magazines you read is one where it is difficult to imagine how the applicant would get caught and suffer from a tarnished appearance. One could imagine the applicant committing future deceptions and getting caught, but this would probably not cause the company to go back and look at his application process (particularly his

⁶*Ibid.*, 153.

reported taste in magazines). Even if his managers are disappointed with his lack of knowledge or passion for current business news and developments, or his managers assess his competency level as lower than hoped, there is no reason from Carr's point of view for the applicant to be honest on this part of the job application—his managers would unlikely go back and check his self-reported reading habits. So dishonesty about taste in magazines is merely a chance to get ahead without real risk.

Therefore, for Carr, actions like minor deception are opaque because the payoffs seem tangible but the potential risks small. If dishonesty has a chance of hurting one's appearance, it is undesirable; but minor deception is desirable from Carr's point of view because the benefits of minor deception seem worth the negligible risk. So Carr's job applicant will get minor ethical matters in honesty wrong. By contrast, the generally honest and virtuous person would see the ethical presence in points of minor truthfulness and care enough to be honest. But Carr's job applicant, with only one eye on appearance for his own benefit, does not see transgressions as transgressions, commits too many minor ones, and increases the chances of significant harm.

3.3.2.2 Argumentation for not ignoring the applicant's action. Carr's most obvious mistake is that he does not realize the risk of minor matters turning into major problems. He does recognize the risk of major matters: "A wise businessman will not seek advantage to the point where he generates dangerous hostility among employees, customers, government, or the public at large."⁷ In short, if the deception is a major issue, it is likely too risky, but if the deception is a minor issue, it is good strategy. However, a

⁷Ibid., 149.

look at Carr's example of the job applicant might call into question the preference of minor deception and promoting in employees the vice of deception in minor ethical matters.

First, from the company's point of view, it should be obvious by now that a company would not want an employee who cannot identify an opaque matter in the application process. If such action in the application process is an indication of their character, these kinds of employees are at higher risk for not properly handling opaque matters in the future. Even if, as Carr assumes, the consequences of misrepresenting your reading tastes on a application process are harmless, performing minor deception on other minor, opaque matters could well lead to harmful consequences. Put straightforwardly, Carr needs to imagine himself as the employer and ask himself the question: all things being equal, do you want your new employee to be actually interested in those five conservative, business magazines, or would you rather your new employee be bluffing you? An employee who bluffs you increases the risk of a bad employee. Therefore, from the employer's point of view, the act of minor deception in the interview process shows ethical character that the employer would not want.

While the employer would want an honest employee, Carr paints a picture in which it looks like the employer is culpable in the process of inviting deception. In a small way, the business is taking the first step of fostering minor dishonesty in its employees. If the application process contains material about which the employee has to lie to get the job, or is invited to lie to just *look like* what he thinks the company wants him to *look like*, the job applicant is being signaled to be dishonest in opaque matters.

And again, even if this first lie is inconsequential, the informal culture has been set: expectations are that you must deceive the company in order to personally succeed. This does not seem in any way to be in the company's interest. Rather, employees should be set up to identify their own interests as being concurrent with the company's interests—and sometimes, the employees should put the company's interests first. In the end, the implications of wanting your employees to be a certain kind of “political persuasion” are difficult to foresee, but the application process should not invite opaque ethical matters encouraging minor deception.

If the preceding critiques are correct that the applicant's minor deception is problematic and could lead to serious harms, why does Carr not realize this? My hypothesis is that it is because the matter is opaque and thus difficult to spot and make the correct judgment about it.

So even though Carr condones ethical action in major issues in order to gain the edge of appearing ethical, his philosophy has no way accounting for opaque, minor matters. Consequently, a virtue ethics critique can offer a better analysis of the job applicant than Carr's amoral, bluffing critique. An analysis of the job applicant's character and virtue of honesty more clearly shows why the action was ethical or unethical because it takes into account the opaque and difficult nature of minor matters.

3.3.2.3 Argumentation for how the applicant can do better. If the job applicant sees the ethical presence in minor issues and values honesty, then he would not lie on the application and in turn would probably not get the job Carr refers to. But an honest job applicant would get another job that fits him where he can feel free to make manifest his

virtue. Approaching his work this way will reinforce the tendency to be honest in subsequent minor ethical matters. And from this will follow better work performance and greater satisfaction with his position in the company.

In addition, avoiding dishonesty in minor ethical matters at the beginning of one's career can help avoid problems with major ethical matters. While any given employee is not a threat to crash the company (such as a rogue trader), it is easy to imagine Carr's applicant's attitude toward his new job. He would see dishonesty as a matter of course to stay in and get ahead in the company. He personally does not like the company—i.e., he does not care for their political values and is not committed to their mission. If the opportunity arises, he would take the opportunity to deceive his employer for his personal gain. Such deception would probably involve minor ethical matters (because remember, he values not getting caught) but a major ethical matter could also arise. And if a major ethical matter did arise, he would be less likely to see it as an ethical matter, or if he does so identify it, to act in a praiseworthy manner. Through the set pattern of dishonesty in minor ethical matters, he would be more likely to lie in a major ethical matter for mere personal gain.

In closing, a virtue ethics critique shows us the value of care for honesty and valuing virtue in minor ethical matters. Carr's job applicant may seem harmless because one assumes that he will only be a "low-level" employee, and so his lying for his own benefit seems harmless. But a more virtuous job applicant who sees the ethical presence in minor ethical matters, and commits to them consistently out of developed character,

will perform praiseworthy action that can make a difference for both the business and the employee.

CHAPTER 4

THE VICE OF HYPOCRISY

4.1 Introduction

Hypocrisy is blameworthy because the hypocritical agent is in opposition to properly participating in the moral order of a community. This can take the form of attempting to subvert the moral order¹ or not taking morality seriously.² Either way, the hypocrite threatens the community's commitment to morality. A community's disdain for the hypocrite can in part be based on the potential damage that hypocritical agents can do to other individuals in the community (i.e., the hypocrite can damage the good of the whole and the whole's effectiveness at protecting moral individuals in the community). However, the real threat is against the community's *commitment to morality itself*. The utility outcomes of having hypocrites operating in a community may or may not be negative—it is the mere presence of hypocrites that is objectionable even if they do no damage. Therefore, exposing hypocrites protects individuals in the community and most importantly protects the commitment to the moral order.

¹Christine McKinnon, "Hypocrisy, With a Note on Integrity," American Philosophical Quarterly (Oct. 1991): 321-330. See also, Christine McKinnon, "Hypocrisy, Cheating, and Character," Journal of Value Inquiry 39, no. 3-4 (2007): 399-414.

²Roger Crisp and Christopher Cowton, "Hypocrisy and Moral Seriousness," American Philosophical Quarterly 31, no. 4 (1994): 343-349.

Business communities are no different from other communities in wanting to keep out hypocrites, but it is arguable that the attractiveness of being a hypocrite in business is more intense than in other types of communities. Because one of the primary values in the business community is making money, the upside of being a hypocrite and getting away with it is being more successful at one of the community's primary values. Being a hypocritical agent in business is a tempting way to achievement, even if it is a threat to the overall or long-term success of the agent and the community. Thus, opposing hypocrisy in business, although perhaps as needed as in any other community, is more difficult to achieve.

Adding to the problem of the attractiveness of hypocrisy in business is the possibility that humans, despite our objection to hypocrites, are naturally psychologically hypocritical. In short, we blame others for hypocritical characteristics that we also have but fail to see in ourselves. This inconsistency could be resolved in a couple of different ways. One way is to analyze hypocrisy into different types. There are certain types of hypocrisy that are plainly bad and destructive, and the moral person can be reasonably held to avoid being this kind of hypocrite. On the other hand, there is a type of hypocrisy that is pervasive and not that detrimental to others, so it can be regarded as acceptable. The conclusion is that this limited type of hypocrisy promotes self-interest but still can be regarded as fair.³ Another way to resolve this inconsistency is to abandon the position that hypocrisy is wrong and embrace its practical effectiveness. This strategy would be especially attractive for business communities where the benefits of hypocrisy are so

³George W. Watson and Farooq Sheik, "Normative Self-Interest or Moral Hypocrisy?: the Importance of Context," *Journal of Business Ethics* 77, no. 3 (2008): 259-269.

helpful. The conclusion is that hypocrisy, at least in business, is a “practical virtue,” and should be employed artfully (i.e., not getting caught) by agents for their personal advantage and advantage of their companies.⁴

If either of these solutions is accepted, hypocrisy could then be regarded as a virtue. One major benefit of being hypocritical would be becoming more efficient at getting the trust of others. In business, the position of appearing trustworthy is so important that being hypocritical—in minor ethical matters when you will not get caught—could be seen as necessary and prudent. Thus, at least in the business context, hypocrisy, at least in minor issues, would be a virtue; but at the same time, even in a business context, morality demands that we honor the objection against hypocritical agents. I will propose a resolution to this tension.

My analysis will consider the benefits of what seems like hypocrisy in minor issues, yet recognizes the merit of moral commitments and valuing them in a business community. My resolution takes into account what agents in business do and need to accomplish. I will outline a theory that condones agents to do what looks like hypocrisy in minor ethical matters, while they remain moral agents committed to morality. What “looks like hypocrisy” I will call “proper pretense.” A virtue ethics critique can help us understand how this works. Based on these premises, I am going to argue that a virtue ethics analysis can help to tell the reasonable discrepancies of moral appearance from the unreasonable ones—sometimes proper pretense (what looks like hypocrisy) in minor ethical matters is praiseworthy, but being truly hypocritical in minor issues is

⁴C. Batson, Elizabeth Collins, and Adam Powell, “Doing Business After the Fall: The Virtue of Moral Hypocrisy,” *Journal of Business Ethics* 66, no. 4 (2006): 1335-1348.

blameworthy.

I will begin by exploring and presenting a working definition of what hypocrisy is. With an understanding of hypocrisy established, I will review two attempts presented in organizational behavior proving that we are naturally hypocritical and their prescriptions of how we should deal with this fact of unavoidable hypocrisy. My argument will explain why these attempts are misguided: we should not overly embrace our hypocrisy; rather, we should properly manage our pretense in minor ethical matters in a way that ultimately honors our commitment to a moral community. With such theory, I hope to show how communities in business can recognize proper pretense in minor ethical matters and still have the commitment to avoiding hypocrisy and being moral.

4.2 Overview of hypocrisy

4.2.1 What hypocrisy is

The dictionary definition of hypocrisy starts: “The assuming of a false appearance of virtue or goodness, with dissimulation of real character or inclinations...”.⁵ This defines a hypocrite as one who pretends to be something other than they are. Hypocrisy is often used in reference to people and their religious beliefs, but I will use hypocrisy to apply to individuals in the secular community of business that *pretend to be moral in some way while hiding different values*. The essence of my use of hypocrisy is that *hypocrites use pretense in order to gain some sort of advantage for themselves, or put others at a disadvantage, or both, by not revealing what they really believe or value*. It

⁵hypocrisy, n." OED Online. September 2012. Oxford University Press. <http://www.oed.com/view/Entry/90491?redirectedFrom=hypocrisy> (accessed December 02, 2012).

should be noted that some commentators in philosophy, such as Crisp and Cowton, think that this is just one kind of hypocrisy and there are other distinct kinds that do not have certain aspects such as pretense. I am not disagreeing with them; rather, for this essay, hypocrisy will involve both *pretense* and *seeking advantage*, and whether there are other types of hypocrisy is not at issue. So “pretense in values in order to gain advantage in business” is a working definition of hypocrisy; I am not arguing to show what hypocrisy *is*.

An example of hypocrisy in business, of gaining personal advantage while also putting others at a distinct disadvantage, is as follows. Imagine a colleague professing to her fellow committee members the importance of sharing all information in order to maximize the committee's production: good ideas should be shared so the committee can work together to produce the best ideas with everyone sharing credit in the end. She could claim credit with the group for what the committee produces while also claiming credit for her personal, not-shared work. As a hypocrite, she could benefit from the work of others while keeping the fruits of her labor all for herself. In such a scenario, she also puts others at a disadvantage because her colleagues have been persuaded to not claim individual credit for their ideas, possibly limiting their standing in the company.

My second example of hypocrisy demonstrates an agent gaining personal advantage without harming others. Imagine that a supervisor invites a consultant to his company to work with employees he supervises, e.g., he invites a safety consultant to purportedly improve the safety culture of the workplace. He tells the consultant and his workers that he truly values everybody's safety while in actuality, he does not care about

their safety and finds safety procedures personally burdensome. After the training, the supervisor encourages others to follow the new safety procedures, but he does not put in the effort to follow or enforce the procedures when no one is looking. This example shows the supervisor pretending to be something other than he is in order to further his advantage—his gain by taking it easy while safety is improved by others doing things the proper, more difficult way. With these examples and a working conception of what hypocrisy is, we can now look at why hypocrisy is perceived as wrong.

4.2.2 Why hypocrisy is regarded as bad

Literally, hypocrisy is a vice because it is not an honorable character trait. It is gaining advantage in a way that a virtuous agent would find contemptible. The essence of its unworthiness is the hypocrites' disregard of fairness: tricking others for your gain or to put them at a disadvantage is not treating others with basic fairness. Most virtue ethical systems recognize that individual agents are highly integrated with their moral community, and treating others with basic fairness is a fundamental value that virtuous agents have as part of their character. Thus, it is safe to label hypocrisy a vice; even so, the harm hypocrisy causes is worth a further look.

One version of direct harm is that hypocrites can trick us for their profit and our loss. An example would be like the committee member mentioned above, who by professing and encouraging commitment to playing by the rules, increases the likelihood that we play by the rules. All the while, this person breaks the letter and spirit of the rules, thereby gaining an edge over us. However, there is a more abstract and more important

way in which hypocrites harm us.

Hypocrites harm us because they do not share our values; specifically, they do not value our commitment to a moral community. Their proclaimed values do not represent who they really are, so their gains in positive valuations of their character are not fairly earned. Such positive valuations can come from others (e.g., a good reputation) or themselves (e.g., a righteous self-image). Note that these kinds of gains may well not hurt, cheat, or water down the positive valuations of us at all, i.e., our self-interests may not be directly affected. Even if not directly affected, we disapprove of the way hypocrites cheat the moral system by not making the proper commitment to a moral community. As Christine McKinnon has pointed out, the reason we disapprove of hypocrites is because we judge not their actions but who they are as persons. We want to know their true intentions (not just their public intentions) because it is a mark of the state of their character.⁶ McKinnon's conclusion characterizes hypocrites as *subversive*: by divorcing action and motive, they undermine the community's ability to tell who they are.⁷ As such, they are a threat to the community's moral system, as opposed to a direct threat to persons in the system. I would like to emphasize her point that the threat to the moral system is not an existential threat to the system itself (its ability to survive and work properly) as much as it is a rejection of the commitment to not be hypocritical. The dereliction of duty to share in our basic commitments about how morality works, or as McKinnon puts it, the attempt to subvert the moral order, is a rejection of the moral

⁶Christine McKinnon, "Hypocrisy, With a Note on Integrity," American Philosophical Quarterly (Oct. 1991): 324-327.

⁷Ibid., 327.

community itself.

Roger Crisp and Christopher Cowton disagree with McKinnon on many details of what exactly hypocrisy is, but their conclusion of why we find hypocrites morally deficient seems to agree in spirit with McKinnon. Crisp and Cowton's characterization of hypocrites is that they do not take morality seriously.⁸ They do not have a proper connection between the self and morality. What we find blameworthy about hypocrites is that they are not concerned enough about morality to be moral. I find both explanations—hypocrisy as subverting the moral order, and not taking morality seriously—as complementary with each other and fitting my description of the blameworthiness of hypocrisy as failing to properly commit to the community's moral system. That being said, as stated before, I am not claiming to define what hypocrisy is (as McKinnon, Crisp, and Cowton attempt); rather, I am claiming to present our agreement on why it is blameworthy. In addition, I am not claiming to define what integrity is or exactly what a person with integrity is like. I will use the term “integrity” to signify an agent who is not being hypocritical (so integrity is something praiseworthy), but this essay is not about the virtue integrity and makes no claims about integrity proper. This essay is about how to deal with the vice of hypocrisy properly.

⁸Roger Crisp and Christopher Cowton, “Hypocrisy and Moral Seriousness,” American Philosophical Quarterly 31, no. 4 (1994): 343-349.

4.2.3 Hypocrisy in the business community

Now that it is established why hypocrisy is regarded as bad in general, the obvious conclusion can be asserted that it is in a moral community's interest to find fault with hypocritical agents. Specifically, the community should not just look down upon hypocrites, but hypocrites should be punished, at least informally, in some way. For example, hypocrites should be exposed and not extended the future trust of members of the community (so the hypocrite would have a difficult time gaining the advantages that normally come with trust). The point is that communities should do more than just disapprove of hypocrites; communities should take a stand against hypocrites and make it clear to all members of the community that hypocrisy brings harm to the community. The result would be that the commitment to the community's moral order would not be threatened by hypocritical agents.

Business communities also have an interest in protecting the commitment to their moral order, and moral agents in business also have reasons for exposing hypocrites that threaten the business moral order. Therefore, it is natural to expect that moral agents in business and business communities would condemn hypocrites the same as any other community. But some would argue that we have been too hasty in this conclusion. They would argue that perhaps hypocrisy is traditionally regarded by philosophers as blameworthy across the board, but we have not taken a close enough look at how hypocrisy operates in certain communities like business. It is possible, so they would argue, that certain characteristics of business (some might say "the realities" of business) make hypocrisy, at least in a limited form, acceptable in some way. Later, I will explain in

detail what it is about a business community that causes others to make these kinds of arguments judging hypocrisy acceptable. For now, I will give a brief preview of this position.

The rewards of being a hypocrite are perhaps greater in business. Hypocritical behavior is a tactic to get others to trust you: it does not matter that you are not moral and trustworthy; if you can get others to believe in your presentation of being moral and trustworthy, it helps you attract business. In other words, “I’m one of the good, moral persons, and as such you should do business with me because our exchanges will be fair and honest with less risk—trust me.” Hypocrites, if successful in getting people to trust them, can seemingly gain more business and potentially increase profits. Making money is a positive value and necessary for business, and it is seen as something particularly desirable by individuals in business. So aspiring to be a successful hypocrite in business (getting others to believe your pretense of morality and not get exposed) seems to be a risk worth taking. As a result, the attractiveness of the reward of being a hypocrite probably makes hypocrisy in business more widespread.

If it is true that hypocrisy is more pervasive in business and seen as an effective tactic to make money, many individuals in business would entertain the notion that agents “cutting ethical corners” in order to get ahead is permissible. A general exception to this position is that being hypocritical about *major* and clear ethical matters is more likely to trigger disapproval and result in punishment from others inside and outside the business community. But one can imagine that hypocrisy would be more tolerated in *minor* ethical matters where it is perceived there is less chance of getting caught while getting some

reward. If this conclusion is correct, there is a possibility of hypocrisy concerning minor ethical matters becoming accepted; there is even the possibility of hypocrisy concerning minor ethical matters becoming *praised*. Therefore, we have come to a point where in the business community opposing hypocrisy across the board might well be a mistake.

To clarify our options at this point, I think we have three choices about how to view hypocrisy in business. Starting with the assumption that hypocrisy in minor ethical matters is regarded by those in the business community as acceptable, the three choices are:

(a) Hypocrisy in minor ethical matters is seen as acceptable but actually is not. So hypocrisy should remain blameworthy in all cases.

(b) Hypocrisy in minor ethical matters is seen as acceptable and actually is. So hypocrisy is always permissible or at times praiseworthy. (The exception being major ethical matters that produce too much risk.)

(c) Hypocrisy in minor ethical matters is seen as acceptable, and what looks like hypocrisy actually is acceptable in some cases while real hypocrisy is not acceptable in all other cases. So proper pretense should be employed at times, but hypocrisy definitely avoided in all other cases.

Choice (a) would be subscribing to the arguments establishing hypocrisy as a vice and the harm it causes individuals and the moral community itself, and going no further. Choice (b) would be subscribing to the arguments that even if hypocrisy is a general vice there is something about business that makes hypocrisy in minor ethical matters acceptable and even praiseworthy in that community. This view has been briefly

previewed, and in section 4.3 (the next section) I will present the case in detail and argue against it. Choice (c) will be the one I argue for in section 4.4 of the paper.

4.3 The case for hypocrisy being acceptable in business

4.3.1 Psychological studies on the pervasiveness of hypocrisy

The first of two steps in considering the argument that hypocrisy itself is perhaps acceptable is to prove that hypocrisy does indeed happen and that people are able and willing to be hypocritical. Batson et al. report on their experiments investigating hypocrisy.⁹ The first was giving test participants the choice of assigning either a positive task or a negative task to themselves, and then giving the remaining task to another person. It is not surprising that most individuals (80-90%) assigned the positive task to themselves. To test for moral hypocrisy, the researchers added the condition of allowing the test participants to choose to flip a coin (in private) to determine who gets which task instead of just assigning the tasks. In some versions of the study, the participants were given written instructions that flipping a coin is the fairest way to determine who got which task. About half the participants chose to flip the coin instead of directly assigning the tasks; it could be reasonably interpreted that the participants who chose the coin flip were *showing* that they were fair. Of the individuals who flipped the coin, most who got the undesirable result (assignment of the negative task) simply lied about the result and reported the coin flip as giving them the desired, positive task.¹⁰ Batson et al. concluded

⁹C. Daniel Batson, Diane Kobryowicz, Jessica L. Dinnerstein, Hannah C. Kampf, Angela D. Wilson, "In a very different voice: Unmasking moral hypocrisy," Journal of Personality and Social Psychology 72, no. 6 (1997): 1335-1348.

¹⁰Ibid., 1341-1342.

from their research that if people have the opportunity, they will act hypocritically.

Following up this research, Batson et al. devised a different experiment to test for hypocrisy in situations that mirror business activity.¹¹ This time, they gave research participants the opportunity to distribute twelve total raffle tickets between themselves and an unknown, unseen partner. The raffle tickets consisted of six low-value tickets (\$5) and six high-value tickets (\$30). The participants chose both how many tickets out of twelve to distribute to themselves and their partner, and which (high- or low-value) tickets to distribute to themselves and their partner. Both the participant and the unseen partner knew that there were twelve tickets, but the tickets were identical except for the serial numbers, so unless one were told which numbers were low-value and which were high-value, there would be no way of knowing which was which. In one version of the study, when the research participants were told that their unknown partner knew which numbers corresponded to the low and high values, the participants tended to be close to fair in distributing an equal amount of tickets (averaging five and half). And the participants distributed on average slightly more than three low-value tickets and slightly more than two high-value tickets. Since the participants thought their partners knew the values of the tickets, the participants acted close to fair because that was the only way to be seen as fair. However, when the research participants were told that they had privileged information—their partner did not know which numbers indicated low- or high-value—the participants tended to be more unfair, giving their partners more low-value tickets while keeping more of the high-value tickets for themselves. The strategy

¹¹C. Batson, Elizabeth Collins, and Adam Powell, “Doing Business After the Fall: The Virtue of Moral Hypocrisy,” *Journal of Business Ethics* 66, no. 4 (2006): 326-329.

seemed to be that since the partner did not know which tickets were worth which value, the partner could be fooled into thinking that the distribution was close to fair. *Individuals wanted to be seen as moral while getting the benefit of being unfair.* Batson et al. concluded that hypocrisy is also pervasive in business-like contexts where there is an exchange of goods between parties; when one party thinks it can get away with the better end of the deal while appearing moral, it will hypocritically do so.

One key premise to the overall argument of Batson et al. that hypocrisy is pervasive is that people are doing something morally wrong when they act in their own self-interest and do not share equally and are not fair. In other words, when individuals distribute goods unfairly but claim and think of themselves as being moral, they are being hypocritical because unfair distribution is immoral and does not match the self-reported claim of being moral. One psychological study that examines this directly is Watson and Sheikh's argument that there is a more accurate psychological understanding of the experiments of Batson et al. Watson and Shiekh propose that experiment participants act seemingly selfishly in the studies of Batson et al. because participants are forced to choose either/or outcomes that do not allow fairness to be shown.¹² When participants are given more choices, e.g., to split positive or negative tasks, they choose to do so more often than just choosing the positive task and assigning the partner the negative task. In short, when people are given a clearer opportunity to be fair, they are fair. Watson and Shiekh conclude that when people are given less choice and appear selfish, we can conclude that people are acting in their own self-interest in a way that is morally

¹²George W. Watson and Farooq Sheik, "Normative Self-Interest or Moral Hypocrisy?: the Importance of Context," *Journal of Business Ethics* 77, no. 3 (2008): 265-266.

sanctioned. Thus, acting self-interested in some contexts—even when we profess to have moral values to be fair—does not indicate hypocrisy because in those contexts, self-interest can be seen as moral and fair as opposed to clearly immoral and unfair.

Watson and Sheikh's argument sounds promising at first glance, but upon analysis, their study does not address the problem of hypocrisy straight on. First, their study does give a reasonable explanation of how we could differently interpret experiment participants' choosing the positive task while relegating the negative one, but their explanation does not directly address the coin flip. Again, in the experiments of Batson et al., a coin flip was offered as a way to fairly assign the tasks, and of those who flipped the coin and got the result they did not want, most proceeded to lie about the outcome. People were judged by Batson et al. as hypocritical based on misreporting the coin flip to cover up being unfair. That assigning the positive task to yourself ought to be regarded as sanctioned self-interest is a legitimate possibility; but this does not change the fact that the participants *thought* they were being less than moral when they did so. In short, hypocrisy—pretending to endorse a method of fairness while not actually doing so—remains an observable event. So Watson and Shiekh's analysis can argue that we should view people in a more positive moral light, but it cannot address the problem of people pretending to do one thing (using the coin flip to assign tasks) while actually doing another (overriding the outcome of the coin flip). When it comes to hypocrisy, the moral worth of the assignment of tasks is not the issue—representing your values one way and then acting the other way is the issue.

Second, even though Watson and Shiekh list in references the 2006 paper of

Batson et al. which discusses the follow-up experiment of the raffle tickets, they do not mention the raffle tickets at all. I find this troubling, because the raffle ticket experiment is the clearer of the two experiments at showing hypocrisy. One can imagine flipping a coin and out of disappointment about the even-chance outcome making the snap judgment to ignore the result: such a reaction seems to show hypocrisy, but it may also seem understandable that people's reactions were biased by missing the lucky result. However, the experiment of dividing the raffle tickets seems to be a result of calculated hypocrisy where the participants were in complete control of the situation. Again, many participants purposefully made it look like they were being fair when they were consciously being unfair. In lieu of specific arguments dealing with the coin flip and the raffle tickets, my conclusion is that analyzing apparent selfishness as morally sanctioned self-interest does not directly address the fact that when given the chance, people act hypocritically. The premise of Batson et al. that hypocrisy is natural and common still stands.

4.3.2 Hypocrisy as an effective strategy in business?

The second step in proving that hypocrisy is acceptable in business is giving evidence that there should be a shift from regarding hypocrisy as common and impermissible to common and permissible. To do this, it needs to be shown that hypocrisy is an effective strategy in business.

Hypocritical behavior in a business context seems to benefit the hypocrite in three ways. First, it gives the hypocrite the better end of the distribution of goods. Being moral

or fair tends not to give you extra benefits goods-wise (at least in the short term). Being immoral or straightforwardly unfair may, like hypocrisy, benefit you goods-wise, but such a strategy is probably not as effective as hypocrisy. One could argue that hypocrisy is a more effective way to get the better end of the distribution of goods because it helps secure the distribution. If you just take an unfair amount blatantly and do not care how it appears, there is a greater chance the other party will object and try to make amends. But if you make it *look like* the distribution is fair, then it is more likely to remain secured.

Second, hypocrites know they gain a moral reputation from the perspective of other parties (even though, in reality, the other parties have been deceived). Thus, hypocrites can gain a positive self-conception of being moral. (Note that the first two benefits match my working conception of hypocrisy being pretense about values that gains advantage for the hypocrite.) In the case of distributing the raffle tickets, one could easily argue that the partner has been disadvantaged. Even so, it is arguable that the real intention of the hypocrites was to both get the best deal and have the partners “think well of them” (an advantage to the hypocrite’s self-conception), while *cheating* the partners out of the high-value tickets was not actually intended. Regardless of whichever is correct, the hypocrite sees additional personal gain of having a moral reputation by employing a hypocritical strategy.

While gaining a positive self-concept is valuable, the most important aspect of gaining a moral reputation may be this: the hypocrite can gain trust from the other party, which can be used for future gains in subsequent transactions. So the third benefit of hypocrisy is that a moral reputation puts one in profitable positions in relationships. A

specific way to think about this is the argument of Batson et al. that hypocrisy is an effective strategy for solving the “commitment problem.” The commitment problem is how to get others to trust you so you can do business with them.¹³ One solution is to be a moral individual, gain a moral reputation, and the problem will be solved as more people will commit to trusting you. This solution is probably best if you think that people are good at detecting others’ faking being moral.¹⁴ Robert Frank’s conclusion is that being a hypocrite in business is too risky, so being moral is a more effective strategy. Batson et al., however, argue that if hypocrisy is difficult to detect, then hypocrisy is a highly preferable strategy in business: it solves the commitment problem *and* allows you to increase your self-interest by getting more than your fair share of goods.

So if hypocrites can pull off not being detected, they can succeed in business in two ways: they can solve the commitment problem and make more money (again, a primary value in business) than if they were actually moral. Hypocrisy in business would be a smart strategy—an effective means for achieving desired ends. Because of this, Batson et al. call hypocrisy in business a “practical virtue”—something that is efficacious in bringing about desired ends. In addition, they briefly argue that hypocrisy in business will change how we regard hypocrisy and turn it into a “prescriptive virtue”—something that will be regarded as moral. I will not follow their terminology as it might cause confusion: I will use “virtue” as it is normally used in philosophy, as a trait that is moral and not merely a means to gaining an end, and so there will be no reason to add

¹³Robert H. Frank, “Introducing Moral Emotions into Models of Rational Choice,” Feelings and Emotions, ed. Manstead, Frijda, and Fischer. (Cambridge: Cambridge University Press 2004), 423-440.

¹⁴Robert H. Frank, Passions Within Reason: The Strategic Role of the Emotions (New York: Norton 1988), 96-113.

“prescriptive” to “virtue” to mean that which is virtuous. For the same reason, I will avoid using “practical virtue” and instead use terms like “effective means” or “effective strategy” to convey what they mean by “practical virtue.” I should note that while they argue that hypocrisy is seen as an effective means and will likely become accepted as a virtue in the business community, it is not directly argued whether they think that either of these things is good. Indeed, their last paragraph seems to hint that they think it would be a bad thing (although they give no indication why). Regardless of their actual normative position on hypocrisy, I am taking their arguments seriously for the three reasons advanced in this section: first, it gives the hypocrite the better end of the distribution of goods; second, it gives the hypocrite a positive self-image; and third, it puts the hypocrite in a profitable position in relationships. With this established, in the next section, I will first address the question of whether hypocrisy could become a virtue in business, and then I will examine whether hypocrisy is really an effective means to benefit in business.

4.3.3 Why hypocrisy cannot be a virtue

There is nothing inherently vicious about increasing one’s self-interest, and of course there is nothing inherently vicious about having a moral reputation (and gaining the benefits thereof). If having a particular character trait allowed an agent to successfully combine these two benefits, and if the character trait allowed the combination in a moral way, such a trait could well be understood as a virtue. At first glance, hypocrisy seems to be an unlikely way to morally combine these two benefits for reasons given in section

4.2.2: hypocrisy is disregarding basic fairness, and that disqualifies it as a virtue.

Nevertheless, it could be argued, if hypocrisy is an effective strategy to succeed in business—an effective means to success that no other strategies can replicate—maybe in some way, this can make it a virtue. Batson et al. make this argument: because hypocrisy is an effective strategy for success, it is a candidate for being a virtue.

As Batson et al. conjecture, hypocrisy is probably more widespread in business than in other communities, and that is because there are seemingly substantial rewards to employing the technique. This has already been mentioned, but I would like to point out (in agreement with Batson et al.) that because something is widespread, there is a greater chance of making it *look like* it is acceptable. If hypocrisy in business is genuinely pervasive, it is more likely that agents in business will try to adopt the strategy. This alone does not make it right, of course (otherwise one clearly commits the *ad populum* fallacy), so what is the argument getting at beyond the “everyone’s doing it so it must be good” mentality?¹⁵

I think a possible answer is that when it comes to minor ethical matters, agents doubt that what they are doing is “actually wrong,” and equally importantly, they think they will not get caught. Thus, if hypocrisy is indeed widespread and agents consider applying it to minor ethical matters in their ethical decisions, many of them might want to see it as a virtue. Compare this line of thinking with probably the most common form of illegal activity, speeding. Everyone does it, and if professional truck drivers by exceeding the speed limit can make more money for themselves and their companies (by delivering

¹⁵Again, Batson et al. do not exactly appeal to such a justification—they argue that those in the business community will appeal to such a justification.

goods faster), then moderate (minor and not unsafe) speeding, although “unethical,” is a “virtue.” This does not help the position of hypocrisy in business, however, because the analogy does not hold up in two ways.

First, unlike moderate speeding, hypocrisy in business *does* harm others. Cheating others out of what is fair, even if they do not know they are being cheated, harms them. Second, unlike moderate speeding, hypocrisy in business goes against the culture of business. Because business is a community where individuals constantly count on relationships working well, there is a recognized value of others representing themselves accurately. A good relationship is not one where one party is tricking the other party to gain advantage; such dynamics go against what makes relationships good. Put in philosophical parlance, hypocrisy is not universalizable: one could not wish relationships to have a hypocritical aspect to them—they would not be relationships. For these reasons, the business community sees hypocrisy as blameworthy in not just major ethical matters (where the potential harm is great), but also in minor ethical matters because hypocrisy is antithetical to business relationships. So poor rationalizations that try to turn hypocrisy into a virtue because it seems like an effective means to increase benefit do not work. Therefore, according to the evidence examined so far, hypocrisy cannot be considered a virtue.

4.3.4 Why hypocrisy may not be an effective strategy in business

Even if hypocrisy in business cannot be considered a virtue (or moral in any relevant sense), there remains the possibility that it is an effective strategy in business. In

other words, hypocrisy may not be the right thing to do, but if you can get away with it, we want you on our team. To review, the argument of Batson et al. for why being hypocritical is an effective means in business is the following: successful hypocritical agents will get the best of both worlds by increasing their self-interest while benefitting from a moral reputation. Getting the best of both worlds certainly seems like something desirable in business, but a necessary condition to getting this benefit is not getting caught. Otherwise, your self-interest could be short-lived and you could suffer from an immoral reputation. For hypocrisy truly to be an effective strategy in business in minor ethical matters, there needs to be some evidence that people get away with being hypocrites.

The beginning point in favor of people getting away with being hypocritical is that when tested, many people act hypocritically. The experiments of Batson et al. have already been reviewed, and their conclusion that hypocrisy is pervasive has been accepted. That being said, I now point out that their experiments prove that hypocrisy is pervasive under *certain conditions*. The experiments of Batson et al. show that people are hypocritical in “golden opportunity” situations;¹⁶ the experiment participants were in a position where *they knew with certainty* their hypocrisy could not have been detected by their unseen partners. Such situations do not involve hiding intentions from others.

Batson et al. are clearly aware of the need for hypocrites to hide their intentions to be successful. Their answer is that hypocrites do so by hiding their intentions *from themselves*. Their theory is that people must be using the strategy of self-deception to

¹⁶Robert H. Frank, Passions Within Reason: The Strategic Role of the Emotions (New York: Norton 1988), 73.

cover up their hypocrisy: self-deception allows individuals to believe that they are in fact being moral, so that no signs of deceit become manifest (such as nonverbal cues). Is self-deception really a sufficient method that allows agents to be successful hypocrites? If so, the implication is that self-deception is a readily available skill that we can employ (in contexts like business) to enjoy the advantages of having the best of both worlds. Perhaps this is true for some people in some cases, but the experiments of Batson et al. do not prove that most people can use self-deception *effectively*. (The case of whether most people are self-deceived about how moral they are is another issue—the question at hand is whether most people are proficient at hiding their true intentions from others.) Again, their experiments gave participants golden opportunities to be hypocrites, and this does not test the participants' abilities to fool others whether by self-deception or other techniques.¹⁷

So the question remains open: are most people, by self-deception or some other method, able to aptly hide their true intentions from others and give themselves the opportunity to become successful hypocrites? Challenging Frank's assertion that people are proficient at spotting others' faking their intentions, Batson et al. comment that experimental evidence of people proficiently being able to spot others deceiving them is "mixed and not fully conclusive."¹⁸ Because evidence does not clearly settle the issue, it is reasonable to assert that most people in certain situations—*certainly* reasonably savvy

¹⁷Their experiments with the mirrors may prove that when people are forced away from using self-deception, they are less hypocritical—so it may prove that people use self-deception to be hypocrites, but from this it still does not follow that people are effective hypocrites when communicating in person with others.

¹⁸C. Daniel Batson, Diane Kobryowicz, Jessica L. Dinnerstein, Hannah C. Kampf, Angela D. Wilson, "In a very different voice: Unmasking moral hypocrisy," *Journal of Personality and Social Psychology* 72, no. 6 (1997): 1336.

individuals in business—are on the lookout for being treated unfairly. Based on this assumption and with no empirical evidence settling the issue, I argue that the successfulness of self-deception to perform hypocrisy depends in large part on the nature of the relationship. In relationships in which the parties are not that familiar and the relationships are not that close, self-deception may be effective; but in close relationships where the parties are familiar, self-deception may not be enough to hide one's true intentions.

As mentioned before, in business, close, well-working relations with others are important. Creating a stable business depends on having close relationships; being successful long-term in general depends on well-working relationships. So individuals in business work to establish such relationships because they are *valuable*. This leaves hypocrites with the possibility of getting the best of both worlds only when dealing with relationships that are not that close. The payoff for the hypocrite would be measurable gains, but it is debatable whether this could be thought of as an effective strategy. First, the hypocritical strategy does not cover dealing with close relationships, which are the most important ones. Second, hypocrites have to artfully manage their strategy to apply to only nonclose relationships and then change their manner in a fundamental way while dealing with close relationships—difficult execution! (This argument is basically Frank's analysis as to why being a moral person across the board is a more effective strategy in evolution.) My conclusion is that most agents would have a difficult time pulling off such execution, so most individuals in business would be unsuccessful hypocrites because their hypocrisy would be revealed in closer relationships. Therefore, I argue that for most

agents relying on self-deception to try to become a successful hypocrite is a risky method in general, with debatable reward potential in valuable relationships. Employing hypocrisy in minor ethical matters is a questionable strategy for succeeding in business.

At this point, it might be wondered if the issue of hypocrisy being effective or not for most individuals is missing an important point. It could be argued that successful hypocrisy—*consistently and perpetually being successfully hypocritical*—is something that a talented few can do and the rest of us could aspire to. Even though genuine golden opportunities are rare, some hypocritical agents may be unusually skilled at hiding their true intentions. Getting the best of both worlds is so enticing that successfully deceiving others, though difficult, is a skill worth trying to perfect. The implication is that just because a strategy is difficult to achieve does not count against it as its being a possibly effective and desired strategy. Successful hypocrites could be few and far between, but if their strategy actually allowed them to achieve the best of both worlds, some would want to admire them and praise their rare achievement. It would be, as Batson et al. portray, the ultimate achievement in business—implanting the strategy to flourish at making money.

As far as praising the talented few who are able to pull off hypocrisy, I have no direct argument that doing so is detrimental to their self-interest. But to repeat, there is no support for their actions being moral.¹⁹ Thus, successful hypocrites actions' may benefit them in some ways (e.g., goods-wise), but there are no moral reasons to aspire to be like them.

¹⁹Even extreme egoistic ethical systems like Ayn Rand's would not consider hypocrisy a moral way for the individual to benefit. Rand insists that virtuous agents benefit honestly from their work. See Tara Smith, *Ayn Rand's Normative Ethics: The Virtuous Egoist* (Cambridge: Cambridge University Press, 2006), 75-105.

Whether it is smart strategy (with amoral justification) to try to perfect the skill of hypocrisy is a different matter. One could argue that it is admirable to try to perfect skills at which exceptional individuals excel. For example, there is nothing wrong with my wanting to become as good a basketball player as LeBron James and working to do so—in fact, it is praiseworthy. Even though I will never be as good as LeBron James, my game will improve, and aspiring to perfection is, all things being equal, a good thing. The problem is that all things are not equal: aspiring to perfect an immoral skill is wrong. But more to the point of those who do not care about the moral aspect, trying to perfect the skill of hypocrisy is not analogous to improving my basketball game. Falling short of becoming LeBron James and going on to play basketball will not harm me; falling short of becoming one of the highly-skilled few who can pull off hypocrisy and going on to employ hypocrisy will harm the unsuccessful hypocrite. The rare, successful hypocrite might not get caught, but anyone else probably will. In this case, aspiring to perfect the skill and then failing brings harmful results. So trying to perfect the skill of hypocrisy for the majority is risky.

4.4 The virtuous agent understanding when to employ proper pretense

Arguments that hypocrisy in a desirable tactic is business are weak, as I showed in section 4.3. But if it is true that hypocrisy is not an effective tool—except for an elite few, and for such individuals they are still being immoral—the question arises as to *why* arguments in support of hypocrisy as being praiseworthy are advanced. The answer is that there is something *ethically different* about business that makes hypocrisy seem to be

a potential virtue. Now I am going to show how this argument rests on a confusion that when not made clear helps create its appeal. When the confusion is cleared up, the argument that hypocrisy is good in business will seem less powerful. As I will introduce in this section, the reasons for the confusion are first, that such arguments confuse the more ethically praiseworthy effects of group benefit with those of self-benefit. And second, they also do not see the difference between competitive and cooperative ethics. So the necessity of pretense in competitive ethics is not seen as limited to competitive ethics and thus misapplied to cooperative ethics.

4.4.1 Benefit of the self versus benefit of group

The experiments of Batson et al. produced data that individuals tend to be naturally hypocritical in golden opportunity situations where they can clearly benefit themselves as individuals. Batson et al. generalized from these data that hypocrisy is an effective strategy to increase self-benefit, and I have argued against this position in the previous section; now I want to emphasize their generalization from self-benefit to a benefit for the group. Based on the facts of their experiments, they generalized that since hypocrisy is an effective means to gain benefit for an individual in a business-like context (getting more out of a transaction), hypocrisy also would be a benefit to the group (“group benefit” in business means benefit to the business which the hypocrite is a part of). So Batson et al. made the mistake of assuming that self-benefit leads to group benefit in business or even in some ways equating self-benefit and group benefit. This confusion makes their claims of self-benefit look more ethical because of the importance of group

benefit in business communities.

In business, the health and well being of the group is important for multiple reasons. First, a healthy business creates a community that individuals can be part of. If the business cannot survive and thrive as a business, then the individuals that are part of the business will have their opportunity to thrive lessened. In addition, the individuals in a corporation have the specific obligation (their fiduciary duty) to make a return on the investment of the shareholders. Insuring the health and strength of the business makes fulfilling the fiduciary duty possible. In like kind (even if the business is not a corporation), individuals have obligations to the well being of the group so the business can fulfill its duties to various stakeholders. Therefore, the importance of a healthy group and its many positive effects makes group benefit or that which benefits the business more ethically praiseworthy than self-benefit.

4.4.2 Cooperative versus competitive ethics

The second distinction needed to make clear is the one of cooperative versus competitive ethics. Business is a mix of two kinds of ethical systems. Businesses need to cooperate with stakeholders; also, businesses much of the time need to cooperate with other businesses. But of course, much of the time businesses must compete with other businesses. So business acts in two distinct modes: at times, you are trying to benefit and help others, while at other times, you are trying to beat the competition—your gain produces their harm.²⁰ Competing well is necessary for a business. Often competing well

²⁰Joseph Heath, “An Adversarial Ethic for Business: or When Sun-Tzu Met the Stakeholder,” *Journal of Business Ethics* 72 (2007): 359-374.

involves action that *looks like* hypocrisy but is actually proper pretense (I will argue for this in section 4.4.3). Batson et al. have mistaken such action for genuine hypocrisy, and then generalize this aspect of competitive ethics to cooperative ethics. This confusion makes their claims of gains in a competitive edge look more widely applicable to all parts of business because of the importance of successful competition.

Competition is a healthy and positive aspect of business even though the goal is to beat out your competitors thereby causing them harm. Competition causes the group to excel and become better and improve achievement. But most importantly, society as a whole benefits from the competition of groups. Competitive businesses “generate positive externalities—benefits to people other than those directly involved.”²¹ If the market is healthy and thus efficient, we benefit as individuals by getting what we want from what businesses offer. A healthy market needs a system made of competing businesses that allows business as a whole to thrive, and ideally, this creates an atmosphere where new and established businesses can thrive. Then thriving businesses provide individuals with what they want. The benefit of healthy and fair competition is closely related to the value of group benefit: being a competitive business is necessary for being a business that provides positive group benefits—which help individuals to thrive.

In summary, I have introduced in this section that, one, some positions confuse the more ethically praiseworthy effects of group benefit with those of self-benefit. And two, some positions do not see the difference between competitive and cooperative ethics, and so the necessity of pretense in competitive ethics is not seen as limited to

²¹Ibid., 365.

competitive ethics and thus misapplied to cooperative ethics.

4.4.3 Two examples of hypocrisy revisited

In section 4.2.1, the first example of hypocrisy was the team member who convinced her colleagues to share all of their ideas and work while she kept her ideas private, thereby allowing herself to take credit both with her team and for her own work. This kind of colleague is potentially disastrous for a business, as her honest and cooperative colleagues would be harmed by her, and their performance to the company might well suffer because of troubles with job satisfaction. In short, such a sabotaging colleague is bad for the group, bad for business.

The sabotaging colleague takes advantage of being hypocritical in minor ethical matters where she feels she will not get caught. Again, she knows better than to be hypocritical about major matters for two reasons. First, there is a greater chance of her hypocrisy being exposed dramatically and her tactics backfiring on her. Second, she is more likely to feel and understand that hypocrisy about major ethical matters is unethical and wrong to do. But because the sabotage is a minor ethical matter, she tells her colleagues one thing while presenting a different face to her supervisors with careful execution, and if she “plays the game right,” she might well further her individual benefit.

Few would condone her behavior, and in particular, the hypocritical aspect of her tactics would be deemed blameworthy. So given examples like these, why would anyone entertain the idea that hypocrisy is a positive, effective tool in business? One reason is

that we can see how certain aspects of her behavior, divorced of context, are good or effective in business: she is competitive, has benefit as a principle goal, and is smart, shrewd, or tough in gaining advantage to ensure benefit. But putting these aspects of her behavior back into context, we can see more clearly that she is competitive when she should be cooperative, and her principle goal should be group benefit instead of self-benefit. Her business skills of smarts and shrewdness, and using pretense to gain advantage, are employed in vicious means or are directed at the wrong ends in her business community. In the competitive aspects of business behavior, skills like shrewdness in protecting information and hard bargaining are worthy skills, and are possessed by virtuous characters in business; but this sabotaging colleague is confused on when and how to use these skills.

When agents in business are bargaining, they need to protect their information and position: e.g., their competitors should not know at what prices they will commit. Just as important as controlling information is *how* agents negotiate in competitive situations. Being a good bargainer requires toughness.²² Toughness is being able to do the things necessary to compete hard and well. And toughness is a skill that involves pretense: agents need to present a face that will not be taken advantage of and harm their business. And so the point of toughness is to succeed in competition in order to benefit the group. Another example of toughness is being able to make difficult decisions that will harm some individuals in the group in order to insure the long-term benefit of the group. Sometimes layoffs are necessary or department budgets need to be cut, and while the act

²²Robert C. Solomon, *A Better Way to Think About Business: How Personal Integrity Leads to Corporate Success* (New York: Oxford University Press, 1999), 108-111.

should be done with compassion and care, it requires a tough decision to carry the action through for the good of the group.²³

What smarts, shrewdness, and toughness in business have in common is that they often need proper pretense in order to succeed. Consider this: as an ethical manager, your principles would be cooperation and desire to work toward benefits for the group (again, returns to shareholders, betterment of the personal development of coworkers, and so on). But then, at times, you need to be tough and competitive, even when your inclinations are to be cooperative and not harm others. As a moral agent, you need to show toughness and the desire to win in order to benefit your group. Doing so is not cooperating in any straightforward way with the business you are in competition with, and doing so is designed to literally harm them (your gain is made possible by their loss). But this is the way it has to be in order to protect your group, allow your business to thrive, and keep the overall economic system healthy.²⁴

So toughness is being an agent with an ethical and cooperative character while having the proper pretense of being competitive and thus seemingly unethical. Hypocrisy, particularly the obviously vicious kind argued against in this essay, is pretense in the opposite direction: being immoral while having the pretense of being moral. Thus, using proper pretense in competition, while literally fitting my working definition of hypocrisy,

²³But instituting layoffs can easily be another instance of confusing group benefit and self-benefit, as in the manager who cuts jobs for self-benefit is not being tough—he is simply being unethical.

²⁴An example of toughness that benefits one's own group but harms another group, yet is completely ethical, is toughness in bargaining. For a specific example of this, consider the example of MySpace CFO Richard Rosenblatt necessary use of pretense in a tough bargaining session to meet his fiduciary duty of getting the maximum return for the shareholders he represents: see Julia Angwin, [Stealing MySpace: The Battle to Control the Most Popular Website in America](#) (New York: Random House 2009), 237.

is not the vicious kind of blameworthy hypocrisy. It turns out that proper pretense employed in competition is often praiseworthy, and it is a skill that virtuous agents (in fair competition) use. But it is important not to misapprehend this kind of proper pretense and generalize it beyond what makes it praiseworthy, which might lead us to think that hypocrisy is good overall. We can see that the elements are present that would cause confusion for some people: proper pretense is an effective device to gain benefit and win the competition. But the competition needs to be (fair) action that benefits the group and should not be used in situations that require cooperative ethics.

The second example of hypocrisy in section 4.2.1 was the self-interested manager who appeared ethical and caring when really his inclinations lacked concern because there was nothing in it for him. The manager, realizing he had a duty to the success and strength of the group, pretended to be ethical and caring even when he was not invested in the outcome. He did so because he recognized that visible, ethical actions of care supporting the group are good for business, so he pretended to care.

It could be argued that there is not a lot riding on the manager's private lack of concern for his employees' safety. The employees will be safer and the company more likely to benefit long-term from fewer accidents regardless of how the manager actually feels about the situation. Thus, the manager is making a judgment to show pretense in a minor ethical matter, where he is likely to get away with his true lack of care. Again, the manager will probably not use pretense for major ethical matters or elaborate schemes. First, as a decent or averagely-ethical individual, he does care about avoiding major, costly mishaps (e.g., he does not just pretend that fraud and embezzlement are bad—his

inclinations recognize that they are bad and risky behaviors). Second, using pretense to misrepresent himself in a major, serious way is costly and burdensome. So he tells his employees that he genuinely cares about their safety with pretense, which is specific enough that he can easily keep track of and small enough to be an inconsequential false face.

Is the manager's pretense the right thing to do? From a perspective of practical effectiveness in business, the answer is probably yes. Although it is a minor issue, pretending to care is an attitude that can help his workers to follow the new procedures better. If they get the message from him that safety is not just something to comply with but to carry out in the workplace as important, and important for them, they are more likely to perform it well. In short, small adjustments in attitude can have important aggregate effects.

Is the manager's pretense ethically praiseworthy? From a virtue ethics perspective, the answer is a qualified yes. Obviously, a virtuous character would genuinely care about the safety of his employees and would not need to pretend. But offering pretense of care—because outward caring can be better for the company, the employees, and would be the right thing to do—is better than not being able to muster up the pretense of care. The person who knows he should show outward care but cannot bring himself to do it suffers from *akrasia*, or weakness of will. Our example manager is able to bring himself to care outwardly, even though he does not feel it authentically, and this is an instance of strength of will. While not fully praiseworthy, recognizing what is right and forcing yourself to do it even though it is not a true reflection of your character

is clearly better than suffering from weakness of will.

So the manager is doing something praiseworthy, but the fact remains he is using pretense. Since his pretense has as its goal group benefit and cooperative ends, it is proper pretense—ethical and fitting for business. One could describe his case as being amoral while having the pretense of being moral. And again, while he could do better to develop his character, undertaking pretense and displaying a false face of care is sufficient to provide group benefit. Said another way, as an individual agent, he may not be flourishing to his fullest potential, but when it comes to the duty to his group, he fulfills the demands of cooperative ethics. Thus, we can see how proper pretense is a good thing in business if the benefit is for the business.

This kind of proper pretense should not be confused with the vicious kind of hypocrisy that has as its aim individual benefit. If the manager pretends to care in order to look moral to further his career or position then his pretense is probably not praiseworthy. If, for example, he puts on a pretense of care to get a bonus for himself, he is being hypocritical in a blameworthy way. As with the pretense of toughness, it is important not to misconceive this kind of pretense and generalize it, which might lead us to think that hypocrisy is good overall. We again can see that the elements are present that would cause confusion: proper pretense is a device that can further group benefit and advance cooperation in business. However, hypocrisy to merely achieve self-benefit should not be mistaken for praiseworthy, proper pretense.

In conclusion, the two examples of proper pretense (the CFO in a tough bargaining situation and the manager pushing safety) do not involve self-benefit; rather,

they are about benefit to the group. Said another way, the goal of proper pretense aims at cooperative ends that benefit the group instead of competitive ends that only benefit the individual. The goal of the group in business is to survive and thrive at the expense of other groups (not destruction necessarily, but harm to other groups, yes—that is the nature of business). People who condone hypocrisy as ethical are in part confusing the necessity of proper pretense in order to achieve benefit of the group with hypocrisy that unethically harms other stakeholders. They confuse *harming the competition to benefit the group* with unethically harming the environment, their customers, or business partners in ways that *seem* to benefit the group in the short term. Or they confuse *harming the competition to benefit the group* with harming any of those things and more, like their coworkers, to *benefit the self*. Proper pretense in one sense is often praiseworthy; pretense in these others situations is hypocrisy and almost always blameworthy.

4.4.4 The challenge of understanding the difference between proper pretense and hypocrisy

Business communities are different from other communities because there is the demand of both cooperative and competitive ethics upon the individuals that are part of a business. The effect of having both kinds of ethics in business may confuse us into thinking that hypocrisy is generally permissible when it is not. Surely, some of us would like to think, we can fake virtue in the little things and reap the self-benefit. But in the end, this strategy is blameworthy and usually ineffective; so we need to keep our integrity in minor ethical matters and avoid hypocrisy. Understanding the difference between

hypocrisy and proper pretense in minor ethical matters is a challenge. The challenge is to recognize which is which so we know what to avoid and what to employ. Thinking in virtue ethics terms helps us to see the ethical presence in minor issues of pretense, and this can help agents see the difference between hypocrisy and proper pretense (this is reason (1) as explained in the overview section 1.3.4). Virtuous agents start from the view that hypocrisy even in minor issues is blameworthy. And because virtuous agents care about having integrity, which means avoiding hypocrisy, they employ proper pretense when necessary. But perhaps the biggest challenge is to understand *why* to employ proper pretense *while still seeing* yourself as an agent with integrity.

One of the reasons pretense is important is that it is proper to show a moral face while planning to harm the competition. This may sound strange, but it is good to appear moral while harming another group because that is what appears best to outside observers. If you appear ruthless or too direct about our wanting to harm another group, you will lose favor with others because it goes against the rules of politeness and pretense of the game. The reason this is so is this: showing a moral appearance while being out to harm validates that the more important value is the moral value. Competition and thus harming others might be necessary, but by employing proper pretense, we are showing that we are essentially moral persons and conform to morality generally and truly value the moral way. It is ritualistic, but this ritual indicates that one value is more worthwhile than the other (that morality is more important than benefit) and that the other is only a “game” to ultimately benefit the whole. So the proper pretense of appearing moral while harming others shows that morality is the ultimate end while competition is a means. This

is one instance of how we want virtuous agents to act in terms of minor issues of pretense (this is reason (2) as explained in the introduction section 1.3.5). Virtuous agents show a more thorough understanding of pretense, so they will more consistently employ proper pretense in a praiseworthy manner. We trust their judgment to be committed to our group benefit and the ritual of respecting the moral community as a whole.

What we need then is the practical wisdom to tell the difference between hypocrisy and proper pretense, and as an ethical agent to maintain integrity by knowing how to use proper pretense correctly. A way to understand the need for practical wisdom to have a thorough understanding of hypocrisy and proper pretense is to look again at McKinnon's views of hypocrisy. In addition to characterizing why we find hypocrites morally deficient, McKinnon (using Bernard Williams) makes an important contribution by framing hypocrisy as a failure of second-order desires. As agents we have first-order desires and values. We also have second-order desires about these values and desires: we want to be recognized for who we are and what we actually value, and get treated and rewarded on that basis. Part of committing to a community's moral system is having a second-order desire to portray yourself accurately *because moral systems work properly when we know with some accuracy who actually holds the community's values* (not just who to reward, but more importantly who to trust). But hypocrites have a second-order desire that undermines this need to know: they have no commitment to making the moral system work properly. Furthermore, they desire to cheat the moral system for personal benefit. Hypocritical agents have a second-order desire to keep their contradictory first-order values and to hide one of them in order to gain self-benefit (the value hidden often

contains, or simply just is, self-benefit without regard to others). Thus, we can describe hypocrites as those who do not have the second-order desire of a proper commitment valuing the strength and health of the moral system of the community.

In a straightforward model, an agent of integrity has second-order desires that are committed to show their values accurately. Because we are beings who have first-order desires for self-benefit and also beings who value the ethical positions of cooperation and group benefit, we have first-order desires that conflict. The virtuous agent recognizes this conflict and tempers her desires for self-benefit with her ethical values and when appropriate, favors the ethical over the self-benefit. Then the virtuous agent portrays herself accurately: “While I am a being of self-benefit desires, I am committed to the moral system of my community and sacrifice these desires for the good of the community.” This would be second-order desires of integrity and avoiding hypocrisy if the agent actually acted upon those principles portrayed.

So the straightforward model for the virtuous agent is to have a strong second-order desire of accurate portrayal of coherently melded first-order desires. Business is a context where achieving this is especially challenging because the opportunities for self-benefit are so obvious. It is very tempting to pretend that your ethical values override your self-benefit desires when they do not, and thus try to appear moral while getting away with something (this is what the experiments of Batson et al. exemplify). In such cases, the agent’s first-order desires do not meld coherently and the agent’s second-order desire approves of or at the least does not care about the inconsistency. In business, there is also the danger that power corrupts the perspective of the agent: powerful people have

even more trouble because their power skews their moral sense (recall that Mencius emphasizes this danger in 6A10).²⁵

But it is also important for the virtuous agent to recognize that in business scenarios, there are models where first-order desires meld coherently in seemingly unethical ways: the need to use proper pretense and compete to harm the competition. These kinds of models might seem blameworthy, but the virtuous agent understands why such action is praiseworthy and thus coherent with the virtuous way to be and act. The virtuous agent understands how coherency works in business, which is competitive and group oriented; the virtuous agent does not confuse this model with benefitting the self and harming other individuals and groups that one should be in cooperation with. So, the virtuous agent's dealing with matters of pretense is improved (this is reason (3) as explained in the introduction section 1.3.6).

Therefore, practical wisdom is helpful to know which contexts demand the right kind of model (either competitive or cooperative). A virtuous agent understands how these two different models fit together, and so how these two coherent models can then coherently fit and work together in one agent. To be virtuous, you need to be a person who both avoids hypocrisy and uses proper pretense—the challenge is to have the wisdom to know when to use one and when to use the other. And while it is difficult to recognize when to use one model and when to use the other, an agent needs to use both to be virtuous in business. Understanding how one's character can contain both skills, and

²⁵It is now well known that feelings of being powerful affect a person's ethics as far as feeling privileged and caring less for others. But one study has shown a direct link between power and hypocrisy: the powerful become more unethical while increasing their criticism of others' immorality. See Joris Lammers, Diederik A. Stapel, and Adam Galinsky, "Power Increases Hypocrisy: Moralizing in Reasoning, Immorality in Behavior," *Psychological Science* 21, no. 5 (2010): 737-744.

switch back and forth between the two, allows agents to better understand them and to know when and how to use each correctly. The importance of being a virtuous agent in all of this is developing your moral sense to understand the complexities of how these different desires for individual benefit, group benefit, and being moral all fit together coherently.

CHAPTER 5

THE VIRTUE OF CANDIDNESS

5.1 Introduction

In the past two chapters, I have examined a classic virtue trait and a classic vice trait. In this final chapter, I would like to do something different and investigate a virtue trait that has not been widely classified or commented on.¹ The virtue of candidness, like honesty and hypocrisy, involves information exchange. One will see overlap among these virtue/vice traits, and hopefully, the more we know about a given trait, the more it will reveal about the other traits. Investigating candidness will show that profitable analysis about minor ethical matters can be applied to agents in a business context. As a starting point, I will consider how relatively new social media platforms have brought the issue of candidness to the forefront.

5.1.1 Revealing information about ourselves to others

In 2010, Facebook launched a new service to its overall platform called Facebook Places. The service allows users to virtually “check in” to a place they physically are—it

¹For example, in Robert C. Solomon’s book *A Better Way to Think About Business* (cited in the previous chapter) he examines over forty different virtues that apply to the business domain, including apt virtues like cooperativeness (teamwork) and entrepreneurship. But he does not have any virtues covering the topics of openness, candidness, or even transparency.

allows them to share with their friend network where they are and where they frequently go. One controversial aspect of Places is that it also allows others to check you into a place (e.g., if you are physically at a restaurant with a Facebook friend, that friend can check you in at that restaurant so all of your other virtual friends can see on Facebook where you physically are just the same as if you checked yourself in). Having others check you in raises problems of privacy, as did earlier services on Facebook, notably News Feeds and Beacon before they were modified to meet the privacy concerns of critics. That Facebook has a pattern of creating services that push the boundaries of privacy is well known by now, and privacy issues are legitimate ethical questions concerning these new kinds of services that Facebook and other new technology platforms (Twitter, Foursquare, etc.) have introduced into our lives. This essay, however, will not address privacy issues; rather, I will use these kinds of services as a starting point to examine the ethical nature of *being candid*—the inquiry into *how much we should show others about ourselves*. Respecting privacy is the issue of how much others should be allowed to find out about us. *Candidness* is the virtue of appropriately revealing ourselves to others.

I will begin by defining candidness as a virtue because being open and showing others the right kinds of information about ourselves—to the right degree and in right manner—is praiseworthy. To better understand the virtue of candidness, it is helpful to look at what it is not. The vices corresponding to candidness would be reticence, revealing too little to others, and indiscretion, revealing too much to others. Services like Facebook et al. obviously present a platform that allows users the possibility of revealing

too much and commit the vice of indiscretion, and a lot could be said about this vice, why it is blameworthy, and how social media technology helps to promote indiscretion. But this chapter is not as much about indiscretion as it is candidness for the agent in business. Thinking about indiscretion as a jumping-off point is a useful tool; the goal is to explore the nuances of candidness and how the virtuous agent would try to achieve it. I am going to argue that in a business context, the virtuous agent needs to carefully manage candidness about minor ethical matters.

5.1.2 Overview of chapter

Transparency is a good thing in business. Businesses need to be transparent to their stakeholders to be ethical: the shareholders need accurate information on the health of the company, the public needs honest information on a company's environmental impact, the company needs to deal with its employees fairly and in a trustworthy manner, and so on. But this chapter is not about the ethicality of these kinds of transparency issues. I am interested in agents in business and how open or not they should be about revealing information about themselves. While this could be thought of as being a kind of "transparency about themselves," to make things clear, I will not use the word transparency in this chapter after this paragraph. I will use the word "openness" to talk about the topic of revealing personal information.

In section 5.2, the position that robust openness is good will be examined in detail. I will call this position the "openness position," and use Facebook as an example of something that advocates the openness position. (Note that I will not be arguing

against Facebook itself or characterizing Facebook use itself as blameworthy. I am merely using Facebook as a well-known entity that if used in a certain way exemplifies the openness position.) The openness position argues that robust openness is praiseworthy because of two points: people should be *consistent* in their actions, and people should be more *accountable* for their actions. I will then make the case in section 5.3 that the openness position misunderstands openness itself. To do this, I will begin by defining and contrasting “personal openness” (sharing and making connections with others) versus “public openness” (revealing information about yourself), and I will argue that the openness position does not clearly recognize the difference between the two. With terms established and clarified, in section 5.4, I will offer three arguments against embracing the openness position. First, I will argue that managing your public self properly regarding minor ethical matters is more virtuous than always being consistent in minor ethical matters. Second, I will argue that the openness position’s appeal to accountability in minor ethical matters presumes a perfection that is impossible. Third, I will argue that indiscretion in minor ethical matters in business can lead to a vicious trait to avoid, narcissism. Finally, I will bookend this essay by showing how ample personal openness in business is praiseworthy while public openness is often blameworthy. My conclusion will be that when it comes to business ethics, the virtue candidness requires more careful management of one’s openness in minor ethical matters than the openness position advocates.

5.2 The openness position—robust openness is good

Facebook provides services that many people regard as fun, productive, and socially helpful. However, the way Facebook is structured—users employ their real identities and share information about themselves with others—creates situations that shape or reflect the ethical character of its users. And there is support for this effect of social media platforms like Facebook. Proponents of social media platforms regard the effect of users creating and disseminating public information about their private selves as something that can promote virtuous character. Or, at the least, users opening up about their private selves leads to a more accurate picture of their character—be it virtuous or vicious. This is the “openness position,” and it is the claim that robust openness is praiseworthy. A fair characterization of the openness position is that robust openness can benefit its users and make society more ethical in two ways.

5.2.1 Robust openness promotes consistency in actions

It can be argued that the first way the openness position helps us to be more virtuous is by pushing us to be more consistent in our actions. The reason for this begins with the fact that social media can make public what users are like: what they like and dislike, who they consider friends, what they buy, where they go, and in general how users choose to portray themselves. With all of this information made public for others to see, a picture develops that can be used to put together the character of the user. Only if the developed picture is both good and consistent to a high degree could a user’s character be characterized as virtuous. For an example of the opposite, the character of

one who belongs to groups that advocate for human rights yet also is a member of groups for those who collect Nazi memorabilia should be called into question. (Being occasionally good and occasionally bad might be sign of an akrasiatic character, or it might be a sign of viciousness marked by hypocrisy. Being bad and consistent might well be a sign of a vicious character.) So consistency in action is rightly seen as a necessary condition to being virtuous.

And so the following argument could be developed. Social media platforms, by giving users a public medium to portray many of their actions, forces users to explicitly face the data of their actions. Arguably, this record of users' actions should cause them to be more self-aware of what they do and how it matches with other things they do. Faced with this enhanced self-awareness about the data of their lives, users will be pushed to make their actions more consistent. Not only that, it is arguable such self-awareness will push users to more highly develop their character: the realization of a public portrait of one's character will push that person to be consistent in doing *better* things. So the first step would be a desire to be consistent in a relatively good way, and then the next step would be to be consistent in an even more impressively good way.

If the preceding argument is correct, it follows that social media platforms can help motivate users into an overall consistency or meta-consistency. The opportunity for users to present themselves one way to some people and different ways to other people would be limited. It is easy to imagine that some skilled agents in the nonvirtual world could have one portrait of character that is consistent in one context, and another portrait of character that is consistent in a different context, and yet these two portraits be

inconsistent with each other. This might allow such agents to be seen as highly consistent to everyone who knows them because the pattern of inconsistencies between portraits cannot be seen. In short, this method of being many-faced can go more easily undetected in the nonvirtual world. Social media platforms make it more difficult to be many-faced by making public the data that would reveal the inconsistencies between the portraits. And following the argument form of greater self-awareness leading to a more highly developed character, forcing a meta-consistency on agents could foster at least some of them to be more virtuous in every context—no subset of people or groups excluded.

It should be noted that while public data on users' character can motivate some users to be more consistent and even more virtuous, for many users, such public data will not affect their actions or character development. In these cases, robust openness would still be good because it allows others to see more clearly who the inconsistent and vicious users are. Better information helps us to protect ourselves from the inconsistent and vicious; in addition, better information would help us withhold the rewards commonly directed toward the consistent and virtuous. If the inconsistent and vicious cannot fool others into trusting them, that is a good thing.

So the argument would be that the openness position is good because it forces a new level of openness. Such openness will promote consistency and virtue among users, or reveal the inconsistent and vicious for what they are. If these benefits are real, the openness position would prove its worth and robust openness should be embraced and promoted.

5.2.2 Robust openness promotes accountability

It can be claimed that the second way the openness position helps us to be more virtuous is by pushing us to be more accountable for our actions. Again, the increased supply of specific information about what people do, believe, and value makes this so. Obviously, an openly-accessible public record of individuals (as opposed to a record that is buried somewhere obscure) is more advantageous for others to begin to judge us. Without information, others cannot judge to what degree we have been accountable for our actions.

The first and most obvious way accountability can play out is in blame for those who do vicious or destructive actions. With sufficient information, when things go wrong, others can establish blame for those who deserve the credit for bad consequences. On the flip side, sufficient information can protect from blame those who are near bad consequences but do not deserve credit for having them happen. In both instances, the openness of information allows blame to be assigned more accurately.

The second way that accountability can play out is in praise for those who do virtuous and beneficial actions. Sufficient information can provide others with well-grounded reasons for determining who deserves credit for good consequences. Again, on the flip side, with better information, we can avoid giving praise to those who do not deserve it. So considering both the first and second ways that accountability can play out, both praise and blame can be more accurately allocated to deserving parties when there is greater openness of information. Even the effects of moral luck can be better identified and praise and blame adjusted accordingly.

If the preceding picture of accountability is correct, it follows that the ethical business manager would take advantage of open information in order to assign praise and blame more accurately. One could characterize this as openness that leads to a more just system. People get what they deserve, and the system itself (society or business) is more just. While obviously a good state of affairs, this more just system can also improve the character of the agent assigning credit.

So one could portray the virtuous manager as one who desires and promotes open information in order to be better informed and able to justify accountability more accurately. This is part of a manager's being just.² In addition, better understanding is part of informing the manager's practical wisdom resulting in a higher-developed practical wisdom. Designating accountability correctly—who should get how much credit for what—often requires subtle judgment; the virtuous person of practical wisdom is the one who is able to make the correct judgment.

Notice that the accountability must be universalized to avoid exceptions: if the virtuous agent adopts this position about more information leading to higher-developed practical wisdom, the position would apply to the agent as well. The normative standard that the agent should know more about others means that others should know more about the agent. So openness can push the agent into being more responsible. The argument here is parallel to the argument of how more information can make agents more self-aware and then motivate them to be more consistent. If we know that information is out in the public about our actions, we will be more aware of the need to take responsibility

²Robert C. Solomon, *Ethics and Excellence: Cooperation and Integrity in Business* (New York: Oxford University Press 1993), 157.

for what we know others know we have done. This can help lead us to being motivated to take a greater degree of responsibility for our actions. Therefore openness, by promoting accountability, can help make our characters more just and responsible, and develop our practical wisdom

In summary, openness can result in at least two distinct ethical outcomes. First, helping to motivate the agent to be more consistent can improve the agent's character in the direction of virtue. The result would be a system promoting the consistency of praiseworthy traits (or revealing more accurately the consistency of blameworthy traits), improving not just the integrity of individuals but also improving the state of the community. Second, better information leading to more deserved, accurate accountability promotes just and responsible character. Coupled with these virtues is the idea that virtuous agents demand more open information in order to inform their practical wisdom. Again, the result would be a system improving not just individuals but the overall justness of the community. Therefore, upon reflection, robust openness should be promoted because it leads to greater consistency and accountability.

I grant that the preceding argument, the openness position, could be correct when applied to a few scenarios. But I will make the case that the openness position is misleading and oversimplified: there are many other instances where robust openness is not ethically advisable. This is not surprising, as general rules of thumb have exceptions. The question that should now be asked, are there other general principles that help explain when robust openness is ethically blameworthy? I propose to look at the possibility that while major ethical matters should be open, minor ethical matters about

oneself often should not be open.

5.3 Personal openness versus public openness

Before getting to my argument, it will be useful to designate two terms to help make the landscape more clear. I would like to take the notion of robust open information about one's self and split it into two terms—*personal openness* and *public openness*.

5.3.1 Personal openness

Personal openness is about sharing with others and interpersonal connections. It is being personal in the sense of sharing one's private points of view, values, and judgments. So the distinctive feature of personal openness is that the information is meant to be private. In business, what is meant to be private comes in various degrees, but the point of personal openness is that information exchanged is not meant to be open to anyone outside of the intended audience, much less to be public information. It should also be noted that in business, personal openness is usually points of view, values, and judgments that are less intimate than the private feelings, wishes, and dreams, etc., that we share with close friends. Although personal openness does not necessarily exclude such intimate information, usually the information is more about business.

What is obvious about personal openness is that by definition, information expressed is meant to be private (again, by some degree). In general, there is the working assumption that such information should not be readily shared beyond the intended audience. So when the openness position advocates "robust openness," the meaning

cannot be what I call personal openness because personal openness information is meant or intended to be private.

5.3.2 Public openness

Public openness is about revealing information about one's self to the public. It is meant to be open in the sense of being an accurate portrayal of what one does or the points of view, values, and judgments that one holds. But it is public in that it is meant to be public information and not kept private. In business, public openness is what is meant to be shown or potentially seen by other colleagues, various stakeholders, and even competitors. So public openness is information with no containment: it may be targeted (such as being part of an advertising or public relations campaign), but it is in no way limited—anyone who wants the information can get it. Public openness could include more “private” thoughts that have an intimate character (feelings, wishes, and dreams), but they would be *meant* and packaged for presenting in public.

What is obvious about public openness is that it is meant to be public. In social media, expressing public openness is working on the assumption that the information should be revealed to a public audience. So when the openness position advocates robust openness, public openness is exactly what the openness position is referring to. Users post information on social media platforms with the understanding that they are posting in a public space that they do not fully limit or control.

What is the point of public openness in business? Why should individuals make some of their personal information about themselves or their work in the company

completely public? The advantage of using public openness in business is that personal information from individuals is revealed to the public creating a more personal connection with various stakeholders. When managers or employees reveal their points of view, values, and judgments to the public, we get a deeper and more nuanced view of who these people are and what they stand for. If the public has views or values in common, then we will regard the business more favorably. It should be noted that public openness information should be genuinely representative (i.e., people should not be hypocrites and fake their views or values). Yet at the same time, it should be remembered that public openness is *presented* material—it is material that is exhibited or displayed for public consumption.

5.3.3 Comparing personal openness and public openness

In summary, personal openness is personal and private information meant to be shared with a limited audience. Public openness is personal but public information is meant to be revealed to the public (again, it is often meant to be targeted to a particular group, but the understanding is that the information is available to potentially everyone). It would be absurd if the openness position advocated no privacy at all, something like all information about ourselves should be made public and the distinction between private and public should be eliminated. So the openness position—that open information is good because it can contribute to greater consistency and accountability—must by definition refer to public openness.

That being said, one could argue that while a distinction between public and

private should be maintained, much of what is now considered private should be made public. This might well include many of a person's feelings, values, and judgments that in the past (before the internet) the person would have chosen to keep private to some degree. The argument would be that such a person should change her position and want more personal information to be made public (because it would promote virtue). One might argue that this is actually what the openness position is all about. I will take up this possible reply after concluding my main argument. But for now, I will assume that the proliferation of the internet and social networking has not radically changed the general view that individuals' personal views and values can remain private, and should remain private, if individuals desire. Thus, this essay will assume that the openness position does not advocate all personal information to be open; rather, the position must be that personal information meant to be public should be made more available and visible, i.e., more open.

5.3.4 Confusing personal openness and public openness

Now that the difference between personal openness and public openness is clear, I am going to argue that the openness position in some ways conflates the two. One way social media platforms blur the two is by some of the specific applications they operate, like Facebook Places mentioned at the beginning of this chapter. But social media platforms also blur the two in a general philosophical way simply by the standard way they operate.

First, applications like Facebook Places seem to supply an unacceptable sufficient

condition for judging something to be private or disseminated in public. Places allows others to check you in at a location, telling all of your virtual friends (and potentially everyone) where you are at a given moment. This appears to be an absurdity because a judgment about your location remaining private or becoming public (disseminated by Places) is based only on your being in a place. (The problem of someone checking you in at a place where you are not, thus that person lying about where you are, is a concern but not what is at issue here.) You do not have to be involved in the actual decision whether to keep your location private or to make it public. So simply by the fact of your location, a judgment can be made to make your location public. Unless it is seen as correct that being in a location—which is unavoidable as we are all always somewhere—is justification enough for your location being public, Facebook Places must be seen as absurd. Said another way, unless simply being in a location is generally universalizable or a proper reason for revealing the location and making it public, Facebook Places facilitates blameworthy action.

Second, I suggest that what is going on is that social media platforms in general are promoting public openness, but they act as if they are promoting personal openness. Social media platforms promote their service as one with the desirable characteristics of personal openness. What we often think is good about personal openness is evident—sharing your self with friends in a private context creates meaningful bonds, intimacy, and the richness of friendship. However, often what social media platforms actually execute is public openness—what the service *does* is clearly present personal information to the public. This type of revealing of yourself is public, and while it can create

meaningful public bonds if done properly, such bonds are not intimate nor true friendship. The point of confusion, I believe, is not a lack of understanding that social media platforms are easy to copy and spread instantly on the internet (although individuals who do not seem to understand this³ are responsible for their lack of perception and are blameworthy). So it is not a conflation of public openness and personal openness and the differences between the public and private in a straightforward sense. The confusion is that social media platforms often are programs of revealing, but they promote themselves as, or are mistaken for, programs of sharing. In this way, public openness is being mistaken for personal openness; the positive characteristics of sharing are being inaccurately grafted onto revealing.

A look at Facebook Places again can help give a concrete picture of the conflation. But this time, instead of looking specifically at what Places does that is ethically questionable (allowing your location to become public by simply occupying a location), Places can be used as an example of how social media in general operates. Again, personal openness is sharing with a controlled group of friends with some degree of privacy. Having friends know your location at a given time could be beneficial because such information could help them find you to facilitate your bonds with each other. By contrast, in the case of public openness, your location is revealed to become *public* knowledge (which is what social media actually does). The result can include the same outcome as an act of personal openness (having your friends know where you are and facilitating bonds), but what Places does is make a *public* presentation of where your

³Noteworthy examples of this seem to happen on a weekly basis. But to choose one—one with serious ethical implications in the business world—recall the email exchanges of finance traders in London casually fixing the LIBOR rate using unencrypted email that came to light in June of 2012.

public self is. Thus, the conflation is not that social media information shown to others is actually a public act in the guise of private act (so you are being fooled by thinking you have more privacy than you do); rather, the conflation is that it is a revealing act that is disguised as a positive sharing act.

Why does the conflation between personal openness and public openness occur? My analysis is that Facebook assumes that the public and private self differ only in who knows information about you. In other words, your public self and your private self *are both you*, and the difference is how much you that is known: the more exclusive the information the more private it is, but there is no qualitative difference between the public self and the private self. What this misses *is* the qualitative difference between the public and the private. The public and private are different aspects of you: one is presentational because it avoids exclusion, and the other is less presentation because of exclusion. This does not mean the public and the private are “different selves” in representational accuracy, much less metaphysically. They are the “same self,” just different aspects of the same person. By contrast, the social media error is to see public and private as only different areas of the same person, not taking note of the presentational quality of the one and the lack of it in the other.

My analysis should not be taken to imply that one aspect of a person, the private, is a “more accurate portrayal” of a person than the public, presentational one. It is completely compatible that both aspects of a person are equally accurate reports of who the person “really is.” The private self does not have claim to being the “true self” because it is less or nonpresentational; nor does the public self get designated as the less

“true self” because it is more or fully presentational.

And by no means does it follow that the part of the person revealed by public openness, the public aspect, is bad or phony because it is a presentational aspect of the person. In fact, the opposite is true. Showing one’s public face in public, and knowing that you are doing so and doing it well, is praiseworthy. It is praiseworthy because it recognizes the situation accurately: public openness is presentational and public. The virtuous agent recognizes this, and strives to manage public openness well; the virtuous agent strives to exemplify the virtue candidness.

5.4. Replying to sections 5.2.1 and 5.2.2

Now I can reply to sections 5.2.1 and 5.2.2 in 5.4.1 and 5.4.2, respectively. Doing so will explore the issue of why candidness in minor ethical matters is a virtue.

5.4.1 The problem with robust openness promoting consistency in actions

I am going to argue how being candid in minor ethical matters is different and why it is better than practicing public openness to a robust degree while being concurrently consistent in minor ethical matters. Issues of minor ethical importance by definition are more common than major ethical matters—minor ethical matters come up frequently in everyday situations. Being publicly open in minor ethical matters to a large degree would mean choosing to present a large number of instances that demand consistency. The more instances revealed—proclaimed points of view, values, and judgments for public consumption—the more there is to keep track of and keep

consistent. The virtuous agent realizes the difficulty of excessive public openness and limits the revealing of minor ethical matters.

So instead of robust public openness and the inevitable result of inconsistency, the difficulty of minor ethical matters is respected. For example, if you are presenting your judgment in public, part of a judgment being public means that this particular judgment should be consistent with other judgments. Otherwise, one is blameworthy: proclaiming judgments in public and not caring if they are consistent is a sign that at least some of your judgments should not be taken seriously at all. In addition, it implies that the positions that you really do endorse (however that could be figured out) should be taken less seriously. That is, the strength of what you actually endorse is weakened by the fact that care has not been taken to make your other judgments consistent with what you actually endorse. In addition, there is a danger that what you actually endorse is not seen as what you actually endorse, but only what you claim you actually endorse. Major ethical matters are less common candidates for public openness, and being major, are easier to keep track of because of the attention they demand of our awareness. But minor ethical matters, again being more common and more difficult to keep track of because of the lighter demand on our awareness, are more demanding to keep consistent. The virtuous agents understand the importance of what they endorse being taken seriously, and not having inconsistencies undermine the judgments they endorse as coming from their character.

Furthermore, the virtuous agent realizes that a lack of consistency in some minor ethical matters is not a sign of being unethical; it is the presentation in public of

inconsistent minor ethical matters that is a sign of being unethical. Again, because minor ethical matters are common and make less of an imprint on our awareness, they are more challenging than managing major ethical matters. And because they are so challenging, inconsistencies will result even in the most virtuously developed agent. The virtuous agent understands this and limits more judgments to personal openness where they are acceptable. And it follows the more inconsistent they are, the more carefully (i.e., less revealing to fewer people) they should be shared.

Keeping minor ethical inconsistencies more private is not only praiseworthy for keeping them from being revealed, but it is also praiseworthy to share them as inconsistencies. People who are more intimate with us tolerate, and in some cases delight in, our inconsistencies because they round us out and make up a richness of our character. That being said, while we intuitively think that we “know who people really are” when we receive their shared inconsistencies, it is again a mistake to conclude that this is proof that the “true self” is what is privately shared. The public self and the private self are different aspects of the self, and it is not clear whether one is truer than the other. So it is also a mistake to think that the “true self” of a virtuous agent is a bundle of inconsistencies. Instead, the virtuous agent is one that recognizes that she or he is inevitably inconsistent in minor ethical matters as are all agents, but the virtuous agent keeps the inconsistent ones expressed in personal openness and not public openness. In other words, virtuous agents see the ethical presence in expressed values (this is reason (1) as explained in the introduction section 1.3.4). Virtuous agents care about sharing private values (personal openness) that should be private, and care about managing public

values (public openness) that should be limited. Doing so is practicing the virtue of candidness.

The openness position, by contrast, advocates indiscriminate public openness of minor ethical matters. The danger is that inconsistencies, which are inevitable, will be revealed and so display reasons to question the agents' commitment to their values, and thus, question their character. The only alternative is to keep revealing without discretion minor ethical matters and strive for consistency. But this approach does not recognize the difficulty of consistency in minor ethical matters for even the highly-developed virtuous. So virtuous agents control which inconsistencies are revealed in order to curtail the demand and make being consistent in minor ethical matters manageable. So a person who reveals a high level of consistency in minor ethical matters can only do so by controlling which matters are revealed and relegating the rest to personal openness.

Finally, the openness position approach to keep revealing without discretion in minor ethical matters and strive for consistency misses a part of our humanness. The mistake is judging as unethical our humanness that produces inconsistencies for even the highly-developed virtuous. So the virtuous agent, understanding this and being comfortable with it, allows inconsistencies in minor ethical matters to be shared via personal openness while controlling them in instances of public openness (this is reason (3) as explained in the introduction section 1.3.6).

5.4.2 The problem of robust openness promoting accountability

It could be argued, as it was in section 5.2.2, that some information of personal openness, while meant or intended to be private, is in fact good that it gets out and becomes public. Take the example of the schoolteacher who complained that her students were spoiled, lazy whiners.⁴ Parents of her students and the teacher's colleagues might well think it good that someone with such a low opinion of her students was revealed by her viciousness, and (if her viciousness were bad enough) the removal of her as a vicious manager of children's learning. This is the argument that revealing the vicious for what they are is good as it protects us and keeps them from benefiting from an inaccurate profile.

But in such a case, I argue, the blameworthy aspect of vicious instances of personal openness (what was meant to be private) becoming public is that the information became public. The case of the teacher is a clear one: the teacher has so little practical wisdom that she posted her inappropriate thoughts, meant to be a private rant, in a definite public space. It is not as though the teacher was carelessly emailing the rant to a friend or colleague that later got forwarded; the teacher bears full responsibility for the dissemination of the information. With the mistake made of being responsible for making private information public, the excuse that the information was meant to be private carries less weight. Therefore, it is fair to judge the information's viciousness, and condemn her for it. But her failure to control private information is an equally blameworthy aspect to her behavior. Otherwise, the danger becomes that we only blame

⁴“Teacher Draws Ire with Blog Calling Students Lazy – CBS News,” CBS News, Last modified February 16 2011, http://www.cbsnews.com/2100-201_162-20032196.html.

people for what they think—specifically, what they think in private—and not what they do. This is obviously dangerous because it erodes the most basic right of privacy. But most interesting and seemingly paradoxically, blaming people for what they think in private is antithetical to the virtuous agent.

In the Aristotelian sense, being virtuous is more than just performing the right outward action or aiming for the right consequences. The virtuous agent performs the right action with an aligning desire: the virtuous agent takes delight in doing the right thing and gets pleasure from it. By contrast, forcing one's self to do the right thing but desiring to do otherwise comes from a state of strength of will. So it follows that having private, vicious thoughts makes one less than virtuous even if the virtuous action is undertaken. From this fact, it might be argued to follow that agents should be blamed for their private thoughts, and in turn it follows that we would be morally justified in wanting to know others' private thoughts in order to assign praise and blame accurately. One might argue that being justified in wanting knowing others' private thoughts would be *especially* true for virtuous agents, as their desires are highly developed.

However, I argue that these positions that the virtuous agent would want everybody's private thoughts to be revealed are not correct. The virtuous agent appreciates the good more insightfully: he or she deeply understands the importance and difficulty of virtue. Our human inclinations are often stubbornly vicious, so it is difficult to achieve virtue. Thus, the best way to be as virtuous as possible for most people is to apply the strength their character has to outward action and strive for candidness. Virtuous agents recognize this fact about members of their community and themselves.

5.5 The problem of self-centeredness

Because virtuous agents in business value group benefit over self-benefit, they strive for candidness in matters of public openness. When it comes to revealing their values in a public forum, candid agents recognize that unnecessarily revealing their values on minor ethical matters can make themselves look bad. And if they look bad, then by extension, they can make their company look bad. Ignoring this concern would be self-centeredness, by which I mean getting caught up in and indulging in one's self-expression, and not giving due care to the reputation of the group. But virtuous agents do not ignore this concern: they care about the good of the group.

Here is an example of not managing candidness properly and instead being self-centered and exposing your company needlessly. On April 14, 2011, on the Business Ethics Blog, the author of the blog Chris McDonald wrote:⁵

This one's a real tempest in a teapot. Or rather, in a bottle of nail polish. OK, so here's the short version. Clothing chain J. Crew's latest catalog includes a picture of president and creative director Jenna Lyons painting her young son's toenails pink. Yes, pink—the colour most closely associated, in North American culture, at least, with traditional femininity. Criticism ensued, alleging that J. Crew was acting (intentionally!) to promote a gender-bending agenda. The calibre and cogency of the arguments in favour of that conclusion is about what you'd expect.

Barbara Kimmel gave this reply:

Looks like nothing more than a PR maneuver. Jenna accomplished just what I believe she set out to do...bring lots of attention/exposure to her brand. But if I had to make an educated guess (as the mother of two boys), this ad WILL have a long term, lasting and negative impact on her child. Her actions (as a mother, not as a businesswoman) were reckless and irresponsible. Perhaps she should spend a moment (or two) reordering her priorities.

⁵Chris MacDonald, "Pink Toenails, Gender Identity and Social Responsibility – The Business Ethics Blog," *The Business Ethics Blog*, Last updated April 18 2011. <http://businessethicsblog.com/2011/04/14/pink-toenails-gender-identity-and-social-responsibility/>

The replies to her reply (including one from myself) were uniformly negative. I could go into the replies but how her arguments are poor is not the topic at hand. The point is that this posting caused me to search her name to find out who she was and who she represented. In other words, I asked myself, “what kind of person would hold these kinds of values?” I discovered that she is a management consultant for McKinsey.⁶ So the result is now I have an association of McKinsey with her kind of values. Note that she did not take a stand on a major ethical matter where taking the proper stand on the issue is important. She chose to intercede poorly in a minor ethical issue which makes her taking a stand seem merely one of thoughtless self-centeredness. To be clear, the issue of her vice of indiscretion is more than *what* she values—she was careless about being open about it when it could poorly represent her company and thus damage her group. Members of a business group want their coworkers to be cautious and discriminate properly about what they express (particularly when the issue is minor and little is at stake). In other words, we want members of our business group to possess the virtue candidness (this is reason (2) as explained in the introduction section 1.3.5).

5.6 The interaction of the character traits

Now that we have looked at three character traits and how they approach minor ethical matters, one final point can be made about how practical wisdom views the interaction of these traits. If agents are virtuous in candidness in minor ethical matters, then they limit opportunities of being dishonest or being hypocritical (this is reason (3) as

⁶McKinsey is a management consulting firm. It is world-renown with over 7 billion dollars of annual revenue. Two of their most famous alumni are Tom Peters and Jeffery Skilling.

explained in the introduction section 1.3.6). One will not have to manage hypocrisy, for instance, because one is not voicing or expressing a value that is pretending to be something other than what one is. The virtue of candidness can assist by seeing instances of minor ethical matters coming up in contexts of information exchange and managing them—sharing them sparingly and wisely—and thus preventing challenges to one’s honesty or preventing the promotion of being hypocritical.

CONCLUSION

Business ethics should consider minor ethical matters important, and business ethicists will find a virtue ethics analysis a profitable way to explore and explain why. From ideas found in the *Mencius*, it can be seen that major ethical matters are often easier to see than minor affairs. And minor ethical matters, while lacking the seriousness of major issues, should be deemed more important to get right than often they are. This is particularly true in the business domain concerning the ethical aspects of information exchange, including honesty, hypocrisy, and candidness. Because of the business domain's characteristics of competitiveness and community, minor issues are important and not to be overlooked. This virtue ethics analysis captures the ethical importance of getting minor ethical matters right in business by being honest, avoiding hypocrisy, and managing candidness. The following paragraphs summarize conclusions argued for concerning these three character traits.

Chapter 3 argues that honesty is virtuous in business. Valuing honesty helps show that minor ethical matters have an ethical presence despite being opaque. Business people want those beside them to value honesty and be part of long-term, stable relationships. In business, company rules and regulations are guides to help employees recognize ethical issues and avoid risk, but minor ethical matters can fall through the cracks of such rules and regulations; an honest agent in business, however, will see the ethical presence in the

minor issues, value and employ truthfulness, and minimize risk as a result. And having an honest character can increase performance in minor and major issues of telling the truth.

Chapter 4 argues the following conclusions about hypocrisy. Hypocrisy is not a candidate for being a virtue in the business domain, nor is it an effective strategy in business. Instead, because of the competitive nature of business, the use of proper pretense is often praiseworthy to achieve benefit for the group. The virtuous agent knows the difference between hypocrisy and proper pretense, and why not to confuse them. The long-term good of the group depends upon agents' wise, nuanced understanding of pretense and on their valuing the importance of not being hypocritical in minor ethical matters. The appreciation of proper pretense and distaste for hypocrisy in minor issues will lead agents to better handle minor and major pretense matters.

Finally, Chapter 5 argues that robust openness in all situations is not virtuous. While recent social media platforms advocate public openness in minor issues, virtuous agents, who understand candidness, remain cautious about being unrestrainedly open. They have the practical wisdom to see that public selves are presentational and how public openness differs from personal openness. Such discernment helps prevent the problems of self-centeredness. Thus, possessing the virtue honesty, avoiding the vice hypocrisy, and possessing the virtue candidness help agents in business to fulfill the fundamental value of business—individuals working for the good of the institution to ensure the possibility of flourishing for themselves, the other members of the group, and all of society.

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