

Developing A Virtue Ethics Scale: Exploratory Survey of Philippine Managers

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ABSTRACT

This paper is an exploratory attempt at generating a virtue ethics scale for managers from the Philippines, using the initial listing of Shanahan and Hyman (2003). The survey questionnaire consisting of 34 virtues was administered to a sample of 141 business and finance postgraduate students who are managers in the companies in Philippines. Based on the factor analysis of the responses to the items on the virtues questionnaire, the following were the resulting virtue or trait factors: (1) Care and concern, (2) Competence, (3) Ambition, and (4) Superiority. The four resulting virtue factors compare more or less with the virtue listings generated in the literature: "Care and concern" is analogous to "empathy" and "respect"; and "competence" seems akin to "integrity", "trust", and "reliability" in the literature. The results corroborate evidence in the Virtue Ethics literature that proposes the virtue theory as an improved ethical paradigm for business. It is indeed possible to augment teleological and deontological ethics scales with a virtue ethics scale that can cause both the researcher and the respondents to be more aware of the virtuous qualities of business people and managers. Such classifications can aid scale validation and development, which in turn could help push the strategic role of the virtue ethics theory.

Keywords: Ethics Scales, Philippine Managers, Virtue Ethics

JEL Classification: M19

1. Introduction

To some people, the world of finance and business is purely mechanical, devoid of ethical considerations. But it has become quite obvious, given the long list of prominent business scandals just around the turn of the twenty-first century; there is no escaping the fact that ethical reasoning

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is vital to the practice of business and finance. It is a well-known fact that integrity is paramount for a successful managerial career: one must grasp the norms of ethical behavior if one wants to succeed in the field of finance and business. In addition, the central role of corporate leaders in setting the ethical tone for their organization is widely accepted (Bruner et al., 2009; Murphy and Enderle, 1995).

In the first few years of the twenty-first century, the corporate world has come under increasing pressure to behave in an ethically responsible manner. In particular, accountability failures have led to bankruptcies and restatements of financial statements that have harmed countless shareholders, employees, pensioners, and other stakeholders. These failures have created a crisis of investor confidence and caused stock markets around the world to decline by billions of dollars. Standards for what constitutes ethical behavior lie in a hazy area where clear-cut right-versus-wrong answers may not always exist (Racelis, 2010; Walker, 2005).

As practitioners, regulators and researchers study the matter and consequences of unethical business behavior as such, there is the need to study its antecedents, dynamics and impacts (Reidenbach and Robin, 1990). In the normative ethical literature, various ethical paradigms are available: deontological (duty-based) ethics, consequentialism, and teleological (end-oriented) ethics. To the latter belong Aristotelian virtue ethics and discussions of the *character* of persons. While there has been resurgence in virtue ethics, an empirical challenge for virtue ethicists is to develop “virtue ethics inventories or scales”.

Endeavours by ethics researchers in this area include the “virtue ethics scale” developed by Shanahan and Hyman (2003) which identifies managers’ beliefs about the virtuous qualities of businesspeople; the multidimensional scale developed by Reidenbach and Robin (1990) which can be used to improve evaluations of business ethics; and the ‘Virtue Ethical Character Scale (VECS)’ of Chun (2005) which is a scale of *organizational* virtues and sought to validate the traditional virtue dimensions mentioned in the virtue ethics literature. This paper is an exploratory attempt at generating a *virtue ethics scale* for managers in the Philippines, using the initial listing of Shanahan and Hyman (2003).

2. Literature Review

Definition of Virtue and Dimensions of Virtue Ethics

Virtue may be defined as follows: “The virtue of a kind of thing is an enduring trait which places it in good condition and enables it to carry

out its distinctive work well. The word 'virtue' represents what the classical philosophers meant by the Greek term *aretê*(ἀρετή) and the Latin term *virtus*. Classically, a virtue is a strength or excellence. A virtue strengthens, improves, and perfects that which has it. This meaning is evident in the Latin term, which comes from the word for 'man', *vir*. In Latin, a virtue is literally the same as 'manliness'" (Pakaluk and Cheffers, 2011, p. 82).

As said above, *virtue* means *strength*, the capacity to do, and to a certain extent, ability or proficiency. Thanks to it, man developed a working faculty: he acts and he acts well. Thus, not only is virtue not an obstacle to the good act – it is also the act that produces results, that "delivers" - but it is in fact its necessary condition. To have virtue in general (of course we will have to clarify later on) – is to have *know-how* (Gomez, 1992).

It follows then that any virtue constitutes exaltation, an empowering of human nature and it is the source of personal activity. In what refers to acquired virtues - those acquired naturally by the uniform and uninterrupted repetition of the same acts - their seed is naturally in man. This seed is developed and defended against the disordered instincts. Hence, virtue, contrary to what the Stoics thought, is susceptible to increase, but this is to be understood not as an addition of degree to degree, but always as a more profound participation of the subject in virtue. This participation is proportionate to the frequency and to the intensity of the acts, but it is deepened in the soul only when the virtuous activity reaches and surpasses the intensity of the habit. Virtue, even if it reaches the maximum intensity, can never go to the extreme; it can neither be excessive nor defective: (*in medio stat virtus*). This is Aristotle's famous doctrine of virtue as a "mean." This implies that acting virtuously means hitting that right and appropriate intermediate place between two extremes. To say that one should do what is intermediate, in this sense, is the same as to say "nothing in excess", because a deficiency can always be described as an excess of restraint or caution: for example, the person who has the depressed zest for the pleasures of the table may be described as going in excess when abstaining (Pakaluk and Cheffers, 2011; Lanza and Palazzini, 1961).

Considering the multiplicity of the powers of the soul and the specific plurality of objects toward which the activity of the virtues can be directed, the virtues acquired in man are diverse. Some of these have deserved to be particularly marked out as cardinal, because of the particular importance and difficulty of their specific matter: *prudence*,

understood as the habit of right judgment in the action to be performed; *justice*, which is concerned with the observance of perfect equality in relationships with one's neighbor; *temperance*, which is ordained to moderating the more vehement appetites; *fortitude*, which is directed to maintaining the firmness of spirit in the greater dangers that threatens man. The other natural virtues are connected to one or other of the cardinal virtues by a certain similarity with them. To prudence are joined the habits that dispose the intellect to choose the means more adapted to the end and to interpreting the spirit of the law. To justice are attached religion, piety, gratitude, truth, affability, liberality, punitive justice, and equity; to fortitude is attached magnanimity, patience, perseverance; to temperance are joined meekness, clemency, and humility (Lanza and Palazzini, 1961).

For Aristotle, moral virtue is intimately related with *right reason*, for it is right reason which points out the extremes of defect and excess that has to be avoided in order to attain the just mean. Right reason in turn is acquired through *prudence*, the criterion or norm for which is the judgment of "a wise and prudent man." Hence we understand Aristotle's definition of *moral virtue* as "a disposition to choose, consisting essentially in a mean relatively to us determined by a rule, i.e., the rule by which a practically wise man would determine it". Virtue, then, is a disposition, to choose according to a rule, namely, the rule by which a truly virtuous man possessed of moral insight would choose. Aristotle regarded the possession of practical wisdom, the ability to see what is the right thing to do in the circumstances, as essential to the truly virtuous man, and he attaches much more value to the moral judgments of the enlightened conscience than to any *a priori* and merely theoretical conclusions. This may seem somewhat naïve, but it must be remembered that, for Aristotle, the prudent man will be the man who sees what is truly good for a man in any set of circumstances: he is not required to enter upon any academic preserve, but to see what truly befits human nature in those circumstances (Yarza, 1994; Pakaluk, 2005; Copleston, 1993).

Virtue ethics, of the Aristotelian type, has six major dimensions that distinguish it from other ethical theories (Murphy, 1999):

- (1) The focus in virtue ethics is on the person and his/her character traits, not on a particular decision or principle;
- (2) Virtues are good habits and are learned by practicing;
- (3) Appropriate virtues are discovered by witnessing and imitating behavior; to become virtuous, one must see others practicing good habits;

- (4) Persons seek the “ethic of the mean”;
- (5) Virtues should be examined within a “community” setting; and
- (6) Aspirations are key motivators in virtue ethics.

With respect to the third dimension, it is hard to find and achieve the mean, because our emotions affect our perceptions. Someone who tends to fear things too much will actually perceive them as being more fearful than they are, so his fear will seem to him to be perfectly appropriate. He will not be aware that his fear is excessive. A variety of techniques are necessary in dealing with our desires and achieving the mean. We have to know our bad tendencies and correct them. We have to rely on the example of good people similar to us. We have to use objective standards as much as possible (Pakaluk and Cheffers, 2011).

Relationship to other ethical theories

Ethics involves the evaluation of actions. Suppose someone does something: he acts. We can analyze this action into four aspects or stages:

Past influences → character → the nature of the act itself → effects of the act

A full understanding of his act will obviously need to take into account all four of these aspects or stages. Furthermore, if the agent’s act is to be reasonable and “right”, all four of these aspects have to be in some way correct, and the act needs to be related to them correctly (Pakaluk and Cheffers, 2011).

The typical ethical theories or systems presented in applied ethics courses, such as one in business ethics, can generally be classified as follows:

- (1) Consequentialist (utilitarianism is an example) or teleological (from the Greek *telos* or “end”) ethics;
- (2) Deontological or duty-based ethics (“Kantianism” would be an example), and
- (3) Pure *aretic* ethics (primarily Aristotelian virtue ethics).

With regard to the four aspects of ethics above, utilitarianism would consider only the consequences of an action: the act itself, the agent’s character, and past occurrences or traditions bearing upon the act that are irrelevant except insofar as they make a difference for the action’s

effects. Duty-based theories, on the other hand, hold that only the intrinsic character of the action is relevant to evaluating it: consequences do not matter, and neither do traditions or the agent's character. Pure *aretaic* ethics make the agent's character paramount, which is true of Aristotelian virtue ethics. The fourth alternative, the view that only traditions and past influences matter in the evaluation of an action, is a possible view, but it is rarely defended by ethicists (Murphy, 1999; Card, 2004; Pakaluk and Cheffers, 2011).

Deontology, or duty-based theory, such as Kantianism, emphasises moral obligation. To recall: Kant pointed to the existence of an indubitable fact, to "the moral law in me," and these moral principles are categorical and unconditional imperatives. With a focus on negative and positive duties, the duty-based paradigm presents itself as quite limited in scope: its emphasis on fulfilling one's rightful duties against a dominant backdrop that views such obligations as an unrealistic constraint can be problematic. On the other hand, consequentialist views, including utilitarianism and the *egoistic* paradigm of 'maximization of shareholder wealth', stress the achievement of "the greatest happiness for the largest possible number of people," at times ignoring individual human rights. Adam Smith's "Act in such a way that the impartial observer can sympathise with your behavior" makes us doubt that there exists an objective norm of morality in his system (Gomez, 1992; Crockett, 2005).

With the resurgence in recent times of the interest in *aretaic* or virtue ethics, especially that which was found in Aristotle's ethical doctrine, ethics literature has come to propose virtue theories as one which unites the descriptive and the normative, yet insists upon doing so in the pursuit of a purpose unlike that proposed by the other theoretical systems. The theory of virtue addresses the question 'What is the purpose of business?': it provides a recipe by which any organization can define its own purposeful existence. By so doing, Aristotelian virtue is just as focused on outcomes as consequentialism, and as concerned with the act itself as non-consequentialist theory, and this places high value on pure motives like Kantianism. Specifically, for Aristotle, character development is an inevitable outcome of the act. In addition to that, his system places tremendous weight upon the act because life itself is an *energeia* or activity of performing various acts. (The defense of the use of Virtue Ethics in business is more lengthily discussed in a separate section below.) (Koehn, 1995; Crockett, 2005)

Table 1: Virtue Scale Items in the Literature

Author	Level	Character traits
Solomon (1992)	Individual	Honesty, fairness, trust, toughness, friendliness, honor, loyalty, shame, sincerity, courage, reliability, trustworthiness, benevolence, sensitivity, helpfulness, cooperativeness, civility, decency, modesty, openness, cheerfulness, amiability, tolerance, reasonableness, tactfulness, witness, gracefulness, liveliness, magnanimity, persistence, prudence, resourcefulness, cool-headedness, warmth, hospitality.
Reidenbach and Robin (1990)	Individual	Broad-based moral equity dimension (Fair, Just, Acceptable, Morally right); Relativistic dimension (Traditionally acceptable, Culturally acceptable); Contractualism dimension (Does not violate an unspoken promise, Does not violate an unwritten contract).
Murphy (1999)	Individual	Integrity, fairness, trust, respect, empathy.
Shanahan & Hyman (2003)	Individual	Empathy, Protestant work ethic, Piety, Respect, Reliability, and Incorruptibility.
Chun (2005)	Organizational	Integrity (Honest, Sincere, Socially-Responsible, Trustworthy); Empathy (Concerned, Reassuring, Supportive, Sympathetic); Courage (Ambitious, Achievement-oriented, Leading, Competent); Warmth (Friendly, Open, Pleasant, Straightforward); Zeal (Exciting, Innovative, Imaginative, Spirited); Conscientiousness (Reliable, Hardworking, Proud, Secure).

Character and Virtue

Moral philosophers usually distinguish between character and virtue. While this distinction may not be important for our exposition here, we devote this short section to clarify the nuances. Character is the sum of all our moral habits, grouped around the axis of will. Character

is the whole of which the virtues are some of the components; but a character trait can be a virtue or a vice depending on the circumstances under which the characteristic behavior appears. Character, being a combination of several habits, is a principle of human action which, by its moral nature, leads us toward, or away from, our last end. Thus we say that one is of good or bad character: to live a good life, one must have habits of goodness, and habits are good when they lead to our last end. Character is distinguished from person: person is the thing that nature has made us to be from the start, whereas character is what we have made out of ourselves, by dint of hard work and a zealous attention to the moral virtues. We likewise distinguish between character and disposition: character is the product of habits that are acquired often in direct contrast to our natural tendencies (Brennan, 1948; Hartman, 1998).

In the *Nicomachean Ethics*, Aristotle makes the case that character, good or bad, is a matter of the sort of thing one enjoys doing; so his moral ideal is not a person who overcomes temptation and does the right thing, but one to whom doing the right thing comes naturally. In Aristotle, it is possible to hold a person responsible for the formation of his or her character: a wicked person is responsible for his or her character not because he or she could now alter it but because he or she could have and should have acted differently early on and established very different habits and states of character. A benefit perhaps of talk of character is that it emphasises causal relations among traits, which lend themselves to explanatory hypotheses in a way virtues do not. So explanations of behavior that postulate only virtues must be incomplete relative to explanations that invoke character traits (Solomon, 2003; Hartman, 1998).

Virtue Ethics Scales

Even as virtue ethics has become popular, especially in combination with teleological and deontological approaches, its theoretical development has not progressed much, nor has its practical contribution been well transmitted, compared to other approaches. Given that one of the criticisms hurled at virtue ethics is that *virtue ethics does little to help us know who is virtuous and hence, how to determine whose action is virtuous*, it seems opportune for ethics researchers to embark on empirical studies in virtue ethics. In particular, it is useful to continue the work of such authors as Reidenbach and Robin (1990), Chun (2005), Murphy (1999) and Shanahan and Hyman (2003), among others, who worked on the

development of “virtue scales” with a view to enabling the eventual assessment of the link between virtues and specific variables, say, organizational performance. This way, scale development becomes one way of advancing the strategic role of the virtue ethics theory. Also, such scale development is a step in the effort to stress how the good habits or virtues inherent in a person’s character give them the propensity to act in ways that promote human flourishing (Dawson & Bartholomew, 2003; Chun, 2005).

Ethics scales or inventories enable us to classify people according to their beliefs about the criteria they use to make ethical decisions, or the ethicality of those decisions. Some of the virtue ethics literature suggests augmenting teleological and deontological ethics scales with a virtue ethics scale which can cause us to be aware of the virtuous qualities of businesspeople and managers. At a more theoretical level, inspecting virtues allows us to understand them in conjunction with the practices in which they are developed, the narrative of the tradition to which these practices belong and the social institutions which they are fostered within (Shanahan and Hyman, 2003; Dawson & Bartholomew, 2003).

On *Table 1* there is a summarised version of the virtue scale items found in the empirical virtue ethics literature. The Virtue Ethical Character Scale (VECS) of Chun (2005) resulted in 6 virtue dimensions and 24 items. However, the VECS is an organizational virtue scale: it assumed that a personal ethical system can be transferred or attributed to organizations. Since the current study’s premise is that the virtues perspective allows us to discuss the strengths or weaknesses of the character of the individual person, then the scale of Shanahan and Hyman (2003) was selected for purposes of this paper. Their study resulted in an initial listing of 34 virtues of individuals in firms (see Appendix 1) as a result of focus group discussions and questionnaire pretests. They based themselves on Solomon (1999) who provides a workable listing of business virtues. After submitting responses to factor analysis, the six resulting factors were: empathy, Protestant work ethic, piety, respect, reliability, and incorruptibility. It is this listing by Shanahan and Hyman (2003) that is utilised for the current study, by subjecting the survey responses of Philippine managers to factor analysis.

3. Significance and Contributions of the Study

Accountability failures in the first few years of the third millennium have caused us to take seriously the question of whether the corporations of

the modern world can demonstrate not only their profitability but their integrity. While researchers continue to be challenged to show that virtuous business pays and vicious conduct does not, it seems certain that non-virtuous business, in the medium or long term, leads to increasing entropy, disorder, inefficiency. Since it has been shown that ethics and an ethical culture have an impact on decision-making and relationships in organizations, we wonder whether and how the virtues and the integrity of the people who make up our corporations and the increasingly international business world can be implemented in that world and in those corporations (Solomon, 2000; Gomez, 1992; Racelis, 2010).

Evidence abounds in the literature that unethical corporate behavior has harmed - and can continue harming - countless shareholders, employees, pensioners, and other stakeholders. While it is not possible to eliminate all the evil in a particular society or business community, what man can and should do is to increase the existing potential for good through the practice of the virtues. Since the life of the company is the sphere of professional work of the majority of people in a specific society – it is that to which man devotes more time and efforts – then a positively ethical assessment of this sphere, via virtue ethics, is called for (Walker, 2005; Gomez, 1992).

If we understand by director, manager, businessman or comptroller is one who organises and directs collective work of the organizational members, then the practice of the virtues must show markedly in that individual. In the numerous and almost endless bibliography on corporate management, the qualities of an efficient manager are enumerated more or less repeatedly. The terms used in those books may at times appear to be new, but the concepts, as expected, do not go beyond the sphere of virtues. Although considerable conceptual and empirical work has gone into the topic of ethical issues facing business organizations, there is scant attention paid to character or virtue ethics in the study of companies (Murphy, 1999; Gomez, 1992).

The present study explores the virtues observed by subordinates in managers in Philippine firms, with a view to proceeding to the development of a *virtue ethics scale* that can later be validated in a more representative sample of corporate managers in the Philippines. This resolves the criticism of virtue ethics cited above that alleges virtue ethics does little to help us know who is virtuous and, hence, how to determine whose action is virtuous. This attempt is likened to the endeavors by Shanahan and Hyman (2003) who developed a “virtue ethics scale” which identifies managers’ beliefs about the virtuous

qualities of businesspeople, and by Reidenbach and Robin (1990) who came up with a multidimensional scale that can be used to improve evaluations of business ethics.

Following from the benefits and advantages of a virtue ethics approach as discussed above, the development of such scales is deemed a crucial first step in the broader research interest to validly measure individual ethical behaviors and judgments. Given that the character traits view is an improvement over mere focus on consequences (teleological approach) or on duties (deontological approach), the shift to a virtue ethics focus holds substantial promise as a guidepost for the study of business ethics (Murphy, 1999).

4. Methodology

The survey questionnaire consisting of the 34 virtues of Shanahan and Hyman (2003) was administered to a convenience sample of 141 postgraduate business and finance students who are managers in companies in the Philippines. The survey was done classroom-to-classroom such that all 141 forms handed out were returned. After rejecting those forms with items unfilled, the usable questionnaires were 140, representing a 99% response rate. The questionnaire sought to elicit from the respondents their opinion on which of the virtues listed they felt their superiors possessed. The format was a 5-point Likert-type scale where the responses to each item or trait ranged from "1" representing strongly disagree to "5" representing strongly agree. The responses were submitted to 'factor analysis', which is a multivariate statistical method that identifies the underlying dimensions to represent the different variables or items on the questionnaire. Factor analysis is a statistical technique that helps in the discovery of information in complex arrays of inter-correlated data. In other words, factor analysis is a way of condensing the information from the original variables into a smaller set of variants or factors with a minimum loss of information. In the current study, factor analysis revealed latent factors defining the virtues which the respondents from those Philippine firms felt their superiors possessed (Hair, 1998; Moberg, 1999).

5. Results

A series of factor analyses and reliability tests were performed until an acceptable reliability coefficient of at least .60 and measure of sampling

adequacy (appropriateness of applying factor analysis) of at least .50 (Hair, 1998) were obtained. Based on the factor analysis of the responses to the 34 items on the survey questionnaire (see **Appendix 2** for details of Rotated Factor Matrix), the resulting virtue or trait factors are as presented on *Table 2* viz.: (1) care and concern, (2) competence, (3) ambition, and (4) superiority. Only 29 out of the total 34 trait items loaded onto the final four factors.

Table 2: Managerial Virtue Factors

Factor (Description)	Items/Variables loading onto the Factor
Care and concern	Sympathetic, sincere, respectful, pleasant, reassuring, reliable, socially-responsible, generous, supportive, concern, secure, friendly, spirited, open, honesty, exciting
Competence	Innovative, leading, mature, competent, intelligent, reliable, confident
Ambition	Ambitious, aggressive, controlling
Superiority	Superior, proud, straightforward

Reliability (Cronbach's Alpha) tests resulted in each of the α 's for all the resulting factors exceeding 0.70. As a rule of thumb, professionals require a reliability of 0.70 or higher before they will use an instrument (Hair, 1998). Thus, we can rely on the instrument used in this study.

The Factor Analysis process used the Principal Axis Factoring method of extraction, with Varimax method of rotation. The rotation for these particular survey responses converged in eight iterations. Five of the 34 items did not load onto any factor; details are shown on *Table 3* below.

When one inspects the six factors of Shanahan and Hyman (2003) - viz.: empathy, Protestant work ethic, piety, respect, reliability, and incorruptibility—, one makes out two distinctive sets of managerial virtues in that scale: on the one hand, care and respect which come together in Empathy; on the other hand, a work-related virtue which refers to an ethic denoted by hard work and long hours. The first set emerges also in the Philippine's sample via Care and Concern; however, although Competence turns up, the Hardworking and Achievement-oriented components are ostensibly absent (see *Table 3*). The variables Achievement-oriented, Attractive, Hardworking, Imaginative, and Independent were dropped because of low factor loadings.

Table 3: Analysis of Factor Extraction Results

	Items/Variables	Description/ Analysis
Did not load	1 (Achievement-oriented), 4 (Attractive), 13 (Hardworking), 15 (Imaginative), 16 (Independent)	The first 4 of these (Achievement-oriented, Attractive, Hardworking and Imaginative) were identified by Chun (2005) while Independent was identified by Shanahan and Hyman (2003); none of these loaded onto any factor in the Philippine’s sample.
I	Sympathetic, sincere, respectful, pleasant, reassuring, reliable, socially-responsible, generous, supportive, concern, secure, friendly, spirited, open, honesty, exciting	The Empathy of Shanahan and Hyman (2003) is characterised by amiability, attentiveness, caring, compassion, contentment, generosity, graciousness, humility, and trust. There are substantial similarities with the Philippine’s result, with the exception of Friendly, Exciting and Spirited. Thus, we label this ‘Care and concern’.
II	Innovative, leading, mature, competent, intelligent, reliable, confident	Competent and Reliable are familiar (as in Shanahan and Hyman’s Protestant work ethic). However, in the Philippine’s sample, traits such as Entrepreneurial and Competitive were absent. We label this ‘Competence’, although it might be ambivalent.
III	Ambitious, aggressive, controlling	These traits do not turn up in Shanahan and Hyman (2003). However, they are found in Chun (2005) as Corporate virtues, associated with Courage and Zeal.
IV	Superior, proud, straightforward	These traits do not turn up in Shanahan and Hyman (2003). However, they are found in Chun (2005) as Corporate virtues, associated with Conscientiousness.

As for the second factor, Competent and Reliable showed up: these were familiar in Shanahan and Hyman’s Protestant work ethic. However in the Philippine’s sample, traits such as Entrepreneurial and Competitive were absent. Regarding the third and fourth factors, which

seem to be related to Pride as a Corporate virtue, the trait components - aggressive, controlling, proud - were familiar only in Chun (2005) as Courage, Zeal, and Conscientiousness. This seems to be a result that is unique and peculiar to the Philippine sample, which merits some explanation (see Discussion below). If Factor Analysis shows these variables to be statistically significant, and furthermore produces two separate trait factors, the respondents must have something important to say about the managers in the Philippines possessing a substantial degree of courage, superiority, pride, and aggressiveness.

6. Discussion

The four resulting virtue factors compare more or less with the virtue listings generated in the literature. One can say that "Care and concern" is analogous to "empathy" and "respect"; and "competence" seems akin to "integrity", "trust", and "reliability" in the literature (Shanahan and Hyman, 2003; Murphy, 1999). "Ambition" and "pride" appear on the workable listing of virtues by Solomon (1999); these, along with "superiority", warrant further discussion below.

In Aristotelian virtue ethics, we have seen the category of *cardinal* virtues, so called because of the particular importance and difficulty of their specific matter. The other natural virtues are connected to one or the other of these cardinal virtues by a certain similarity to them. To temperance are joined meekness, clemency, and humility; to courage are attached magnanimity, patience, and perseverance. Our first virtue factor, then, can be likened to the parts of temperance, as care and concern involves a variety of virtues including sympathy, respect, friendliness and social responsibility. Some of the items loading onto care and concern, though, theoretically belong to the cardinal virtue of courage, which is directed to maintaining the firmness of spirit in the greater dangers that threaten man. Generosity and reliability, for instance, loaded onto this factor as well. While it continues to be debatable whether and to what extent the environment and culture influences the development of character traits, we shall here limit ourselves to saying that, given our specific sample of managers in the Philippines, - empathy and conscientiousness seem to turn up as important virtues (Lanza and Palazzini, 1961; Solomon, 1999; Moberg, 1999).

Regarding "ambition", "pride" and "superiority" turning up as *virtues* in the results, the literature tells us of the recent addition of these "virtues" among the preferred marketing and business virtues.

“Ambition” is defined as “getting ahead and being tenacious”, while “pride” refers to holding one’s head high or being admired by others. Their classification as “virtues” seems to be a departure from the classic list of virtues according to Aristotle (see *Table 4*), as classic Greek philosophy would list meekness and modesty as true virtues, while vanity and shamelessness would be “vices” (Moberg, 1999; Solomon, 1999; Shanahan and Hyman, 2003). While this might be explained by some evidence of the mutability of virtues due to development by heredity and environmental influence, a cultural and historical explanation of these *new business virtues* might be in order.

Table 4: Aristotle’s List of Virtues

Gentleness
Bravery
Modesty
Temperance
Righteous Indignation
Justice
Liberality
Sincerity
Friendliness
Dignity
Endurance
Greatness of Spirit
Magnificence
Wisdom

Source: Aristotle’s Nicomachean Ethics; Moberg (1999).

In an empirical organizational virtue study, the *proud* virtue seems to be particularly important for employee’s (self) satisfaction and customers who have high involvement with the organization, like customers of non-profit organizations or university students (Chun, 2005). A possible explanation of the emergence of the *proud* virtue in business is the *egoism* paradigm due to consequentialist ethics, which has emphasised maximization of shareholder wealth as an organizational purpose and pursuit of self-interested desires and interests as an individual purpose in businesses. Given the stress on competitive individuals, rational outcomes, and efficiency in such *egoism*

paradigm (Crockett, 2005), the classic definition of the virtue *courage* may have taken on the nuance of “confident achievement” of business outcomes. In fact, research shows that definitions of certain virtues have changed to suit or explicate better the business circumstances, as for example, the virtue *courage* having modified its definition to ‘success in *achieving* the desired outcome and effort by the agent’ (Chun, 2005). An alternate explanation of the *ambition* and *superiority* traits turning up in the Philippine’s results could be the specific culture of the firms in the Philippines or the Filipino managers. Local studies of corporate culture show that *paternalism* is a dominant characteristic of companies in the Philippines. Whatever the case, a further validation of the scale might be necessary.

7. Conclusions

The empirical results of this study give us a preliminary; though noteworthy and thought-provoking, look at some of the virtues observed by subordinates in managers in the firms in the Philippines. Apart from the findings enabling academics and researchers to actually develop a *virtue ethics scale* that can later be validated among a more representative sample of corporate managers from the Philippines, they further represent a crucial first step in the broader research interest to validly measure individual ethical behaviors and judgments.

This study attempts to continue the work of such authors as Reidenbach and Robin (1990), Chun (2005), Murphy (1999) and Shanahan and Hyman (2003), among others, who worked on the development of “virtue scales”, and has enhanced the ability of scale development to advance the strategic role of the virtue ethics theory. The findings of this study among the managers in the Philippines, similar to the findings from the ethics scales above, indeed enables us to take a peek at those business people’s beliefs about the criteria they use to make ethical decisions, or can give us an insight to be aware of the virtuous qualities of business people and managers.

Concretely, we have managed to find, through a preliminary survey of supervisors at the firms in the Philippines, that there are both similarities and differences between the revealed virtues or traits in Western countries and those revealed by the respondents in the Philippines. More particularly, it turns out that the ‘business virtues’ in the Philippines setting revolve chiefly around, on the one hand, Care and Respect which is characterised by sympathy, respect, generosity,

support, and friendliness; and, on the other hand, a rather peculiar Courage-related characteristic involving a certain degree of ambition, pride, superiority, and aggressiveness. There seems to be the likelihood that, for Asian countries or perhaps uniquely for the Philippines, the *proud* virtue is important for employee (self) satisfaction, is associated with high involvement with the organization, and is related to greater self-confidence or self-assertion. Nevertheless, this warrants further investigation, as for example there may be a correlation between these virtue traits and national culture.

In addition, the following conclusions may be drawn from the results:

- (1) The current study corroborates the reality that there is a need to continuously debate ethics and values, especially since these impact the direction that the business community will take in the years to come. In turn, the results may provide the evidence that there is a need for further training in 'ethical sensitivity' on the part of managers and employees (Racelis, 2008);
- (2) More concretely, the results corroborate findings in the Virtue Ethics literature that propose virtue theory as an improved ethical paradigm for business. It is indeed possible to augment teleological and deontological ethics scales with a virtue ethics scale that has caused both the researcher and the respondents to be more aware of the virtuous qualities of businesspeople and managers.
- (3) Given the resulting virtue factors, viz.: (a) Care and concern, (b) Competence, (c) Ambition, and (d) Superiority, that turned out to be managerial traits in the firms in the Philippines, one can say that it is possible to identify virtue traits whereby managers direct firms. Eventually, such classifications can aid scale validation and further scale development which could help push the strategic role of the virtue ethics theory

8. Implications and Areas for Future Research

Potential uses of the scale - Typical uses for ethics scales are as follows:

- (1) Incongruent dimensions between the ethical cultures of exchange partners,
- (2) Ethically congruent hires;
- (3) Reasons for employee turnover;
- (4) Organizational commitment or commitment to ongoing project ventures (Murphy, 1999; Shanahan and Hyman, 2003). The resulting virtues scale in this study can be potentially used for the above-stated situations.

Managerial implications - The study's results can give practitioners an idea of the virtues or character traits observed in the managers in the Philippines. This can have implications for human resource management, particularly for superior-subordinate matching, for person-organization fit, and for the process of *socialization*, whereby organizational members most "suited" to the corporate style are hired and subsequently led along the path of "immersion" in the specific organizational culture and aims.

The ultimate test of virtue ethics is whether these character traits are practiced in day to day business activities (Murphy, 1999). Since the virtue ethics scale would have caused both the researcher and the respondents to be more aware of the virtuous qualities of Philippine's business people and managers, the inventory of virtues might serve as a "yardstick" in their self-assessment of their personal ethical attitudes, practices, and behavior. This in turn has important implications for leadership; after all, hiring and promoting managers with strong character is essential, for management ultimately sets the "tone at the top" and the example they set can have a major impact on business practices within and outside the firm. In an economy that is constantly seeking change-makers and role models, these empirical contributions are not insignificant.

Academic implications - As regards the work of ethics researchers, they are given the evidence and opportunity, through the preliminary virtue ethics scale, to identify virtue traits whereby managers in the Philippines direct companies. Further to that, they are given the opportunity to elicit further demands to extend the study to a normative one, that is, to investigate the virtue traits that the Philippines respondents deem desirable in their superiors. As for theoretical contributions, there is certainly a new contribution towards theoretical knowledge with the development of the variables in virtue ethics, albeit in the Philippines context.

Areas for further research - (1) A fuller inventory of virtues containing the broader spectrum of character traits found in as much of the ethics scale literature as possible; (2) Further validation of the initial virtue ethics scale suggested in this study; (3) Scale re-validation efforts in multi-country (multinational) settings; (4) Development of virtue ethics scales that elicit desirable character traits in managers in the Philippines; (5) Empirical studies that would show that the possession of the elicited desirable character traits or virtues leads to—or at least is correlated with - successful organizational performance (financial or otherwise). Examples of non-financial outcomes that can

be correlated are: employee and customer satisfaction, loyalty, retention and differentiation, etc. (6) Further work in this area can contribute a great deal to research on Corporate Social Performance (CSP), and thus be a step towards showing that firms which pursue ethically-driven strategies can realise a greater profit potential than those firms which currently use profit-driven strategies; (7) A deeper and more purposeful study on the core virtue of “integrity” (Murphy, 1999); and (8) Involvement of educators in curricular activities reinforcing important ethical ideals, such as those provided by Aristotelian virtue ethics (Murphy, 1999).

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APPENDIX 1

Virtue Ethics Inventory (Shanahan and Hyman)

1	Achievement-oriented	18	Leading
2	Aggressive	19	Mature
3	Ambitious	20	Open
4	Attractive	21	Proud
5	Competent	22	Pleasant
6	Concerned	23	Reassuring
7	Confident	24	Reliable
8	Controlling	25	Respectful
9	Intelligent	26	Socially-responsible
10	Exciting	27	Secure
11	Friendly	28	Sincere
12	Generous	29	Spirited
13	Hardworking	30	Straightforward
14	Honest	31	Superior
15	Imaginative	32	Supportive
16	Independent	33	Sympathetic
17	Innovative	34	Trustworthy

APPENDIX 2

Rotated Factor Matrix (a)

	Factor				
	1	2	3	4	5
VAR00033	.796	.239	-.058	.066	.023
VAR00028	.774	.274	-.022	-.010	.311
VAR00025	.740	.235	-.029	.036	.186
VAR00022	.740	.257	.090	.051	-.049
VAR00023	.730	.351	.035	.067	-.070
VAR00034	.717	.338	-.034	.123	.349
VAR00026	.672	.004	.174	.074	.396
VAR00012	.660	.037	-.035	.175	-.079
VAR00032	.655	.396	-.016	.179	-.024
VAR00006	.627	.380	.104	-.118	.024
VAR00027	.615	.318	.196	.289	.173
VAR00011	.614	.003	-.069	.146	-.261
VAR00029	.593	.339	.275	.032	.119
VAR00020	.533	.447	.032	.217	.054
VAR00014	.531	.368	-.067	.131	.373
VAR00010	.525	.169	.259	.099	-.027
VAR00004	.419	.316	.306	.143	-.016
VAR00017	.268	.650	.386	.173	.058
VAR00018	.290	.618	.296	.136	.017
VAR00019	.308	.616	.172	.321	.138
VAR00005	.283	.609	.374	-.023	.028
VAR00009	.339	.608	.138	.253	.047
VAR00024	.477	.595	.033	.116	.077
VAR00007	.226	.508	.443	.229	-.133
VAR00001	.083	.479	.427	.216	-.083
VAR00016	.243	.474	.127	.416	.037
VAR00013	.343	.453	.129	.319	.206
VAR00015	.257	.429	.411	.199	.268
VAR00003	.073	.220	.753	.027	.053
VAR00002	-.092	.217	.692	.189	-.143
VAR00008	-.195	.013	.675	.290	.210
VAR00031	-.021	.256	.413	.595	.122
VAR00021	.103	.141	.420	.581	-.070
VAR00030	.236	.292	.140	.572	.006

Extraction Method: Principal Axis Factoring.
Rotation Method: Varimax with Kaiser Normalization.
a Rotation converged in 8 iterations.