Part II
Leadership, Virtue and Vice

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The four chapters in this part take up the questions outlined in the previous part; can management be practice and if so, what role do virtues such as courage and wise judgment play in the decision-making process? This part also deals with a further issue: what happens when vice takes hold at the heart of an institution, and what can be done to deal with it?

Erich Fein begins the part with an account of leadership theory, in particular leader-member exchange theory (LMX), to provide examples of the way in which responsible management can be enhanced in an organisation by the application of virtue ethics. He notes that the notion of virtue ethics is highly consistent with the general foundations of leadership theory and practice, and that a number of individual virtues including independence, integrity, honesty and justice are required for successful leadership. Although the LMX approach to leadership encourages the development of high-quality exchange relationships between leaders and members it does not explain why this is desirable, nor does it confine the process to good purpose. Virtue ethics can provide a reason and help members of the organisation to a shared understanding of good.

Helping members of an organization to understand how it can deliver good outcomes is also the focus of Mario Carrassi’s paper. In it he describes how the traditional corporate planning model can be extended to focus attention on internal goods as well as the external goods required by the profit imperative. This process which he calls Conscious Corporate Growth (CCG) can be used in an organisation to develop its capacity to behave in a virtuous way, and to enhance its integrity. Carrassi provides a road map for the process which can be used to transform the organisation so that the pursuit of virtuous growth is a conscious goal for all its members.

Thus far, we have seen accounts of virtues in management and looked at ways that these might be instilled into the daily lives of both managers and employees. But what of vices? What can a virtue ethics perspective tell us about the vices that are entrenched in particular practices, how to deal with them, and who may be responsible for doing so?
The third paper in the part deals directly with an obvious vice: narcissism. Patricia Grant and Peter McGhee tie together psychological theories of narcissism on an individual level with organisational theory and MacIntyre-based virtue ethics, to analyse the behaviour of elements of the New Zealand finance industry in recent years. The collapse of major financial institutions is argued to be a product of narcissistic thinking on the part of CEOs and other high-level figures in such organisations.

Helen Rusak and Stephen McKenzie’s paper on User-Generated Content (UGC) as a practice examines current ‘ethical’ examinations of the internet in the age of UGC, and finds that the debate contains a considerable over-emphasis on copyright and other legal issues, and lacks an understanding of how ethical cultures and creative cultures can be mutually supportive. The vices of dishonesty and misattribution are viewed as a product of the lack of genuine creative standards regarding UGC, and the authors hope that for a future generation of internet users, the quest for better content might lead to better ethical standards about originality and proper attribution.

Rusak and McKenzie’s paper has sought to understand the origin of vice in a lack of standards for excellence. But the vice described by Grant and McGhee’s paper is not so easily explained or forgiven. Their paper reveals narcissism as a trait that stems from individuals with a strong belief in their own superiority to others, and develops into an organisational culture which seeks external reward above all else. The authors argue that board members, and those responsible for electing CEOs and other managers, must be scrupulous in ensuring that this type of personality does not gain control of their company.