



What makes a virtuous organization? Insights from Neo-Aristotelian Philosophy

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What is an organization for?

Nokia: “connecting people”

Pfizer: “Life is our life’s work”

GSK: “Do more, feel better, live longer”



An organization is a *hetero-referential* system: it exists insofar as it meets human needs; it functions for the sake of others

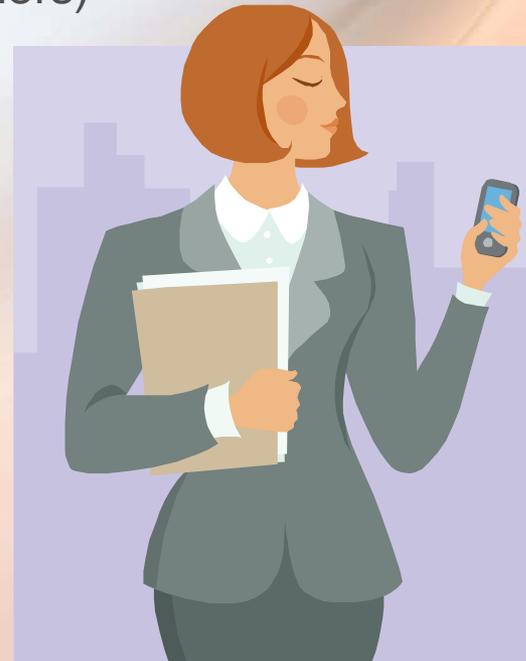
Hetero-referentiality is an ontological condition: an organization cannot exist but through establishing a relationship with others.

That relationship is of a vectorial kind: for the organization to focus on its main goal (to provide products and services to others)

it must be subsidiarily aware of the conditions that make such focusing possible.

Example: Nokia - Focus on “connecting people”.

Subsidiary awareness: health issues



Organizations as *institutions* engage in activities that aim at satisfying human needs. They do so by housing productive *practices*.

Practices are complex, cooperative human activities through which goods internal to them are realized by following standards of excellence. *Internal goods*: goods that cannot be obtained in any other way except through participating in the relevant practice. Competition to excel; their achievement benefits the whole practice

Virtues are enduring excellences of character – particular dispositions to act – that allow practice members to excel in what they do



“A virtue is an acquired human quality the possession and exercise of which tends to enable us to achieve those goods which are internal to practices and the lack of which effectively prevents us from achieving any such goods” (MacIntyre, 1985:191).



By enabling practice members to achieve the goods internal to their practice, the virtues enable individuals to move towards their *telos* - *eudaimonia*

What are such virtues? Justice, courage, honesty
Standards of excellence:
Accepting the authority of the best
standards realized so far.



Institutions: sustain practices; are concerned with *external goods* (e.g. money, status, fame, etc)

The making and sustaining of institutions is a practice too.
“Practices are always vulnerable to the acquisitiveness of the institution”
(MacIntyre, 1985:194)



An organization develops a virtuous character insofar as it actively maintains its hetero-referentiality. More specifically:

- (1) Tries consciously to sustain and develop the practices it houses**
- (2) Encourages the pursuit of excellence in its practices**
- (3) It focuses on external goods (e.g. profit) insofar as they are necessary for the support of its practices**
- (4) Resists the corrupting influence of other institutions in its environment (e.g. competitors, suppliers, etc)**
- (5) Maintains appropriate balance between internal and external goods**
- (6) Strives for elucidated action: remains alert to the relationship between focal and subsidiary awareness**
- (7) A virtuous organization requires courage, justice, honesty**

Preconditions for a virtuous organization: virtuous agents, mode of institutionalization, conducive environment (Moore and Beadle, 2006)