

Leading with Virtue: Theological Insights into Ethical Business Leadership

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Abstract

This paper explores the integration of business leadership with virtue ethics from a theological perspective. This paper highlights how past ethical principles can be used to guide current business and cultural leaders. With a focus on character and moral values like humility, integrity, and courage, virtue ethics offers a framework for ethical decision-making that is aligned with personal ethical values and corporate values. The theological ideas of famous thinkers such as Thomas Aquinas and Augustine are employed in this paper to demonstrate how the theological virtues of love, hope, and faith may be implemented in business operations to create a holistic approach that goes beyond just profit.

Further, there is an exploration of how these virtues affect leadership approaches, impact corporate cultures, and improve decision-making among business leaders who epitomize virtue ethics using illustrative cases. In addition, the paper identifies possible stumbling blocks such as the clash between ethical leadership and profit-making activities and criticism from a secular dimension. The article makes suggestions for merging virtue ethics into business education and leadership development programs based on an analysis of this dynamic relationship, emphasizing the need to develop virtues within organizations. In conclusion, it aims at contributing to ongoing discussions about ethical leadership by suggesting that virtue ethics influenced by theological insights can be used as a compass in today's multifaceted business realm.

Key Words: Virtue ethics, Business ethics, Ethical leadership, Theological perspectives, Corporate social responsibility, Business education, Leadership development².

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1. Introduction:

Virtue ethics is a moral theory that prioritizes character and virtue over laws, consequences, and punishments. This particular school of thought has its roots in classical Greek philosophy, namely in the writings of Aristotle, specifically in "Nicomachean Ethics." This ideology emphasizes cultivating virtues such as courage, honesty, and fairness. Unlike deontological ethics and consequentialism, virtue ethics emphasizes a person's character.

Aristotle described virtues as habits that benefit both individuals and society, which may be acquired via practice and habituation, or by adhering to the "Golden Mean" between extremes. Courage is an example of the golden mean, which exists somewhere between recklessness and cowardice. Virtue ethics are relevant in modern business leadership. They provide a framework for ethical decision-making in the modern business landscape and address the complex ethical dilemmas, going beyond just following rules and making a profit. By focusing on character and virtue, virtue ethics fosters an environment of honesty and responsibility.

Business leaders that practice virtue leadership are more likely to create trust, motivate colleagues, and cultivate ethical and virtuous environments. Business leaders may enhance decision-making and sustainability by displaying integrity, honesty, and empathy. Virtue leadership provides a framework for examining actions and intentions when there is an ethical dilemma or a company crisis, "The integrity of the upright guides them, but the unfaithful are destroyed by their duplicity." (Proverbs 11:3).

With an increased focus on Corporate Social Responsibility by consumers and business leaders, virtue ethics becomes increasingly more relevant as it aligns with the focus on people, plant and profit, a triple bottom line. Virtue ethics prioritize the character development of those who embrace it, and this helps to address the stakeholder needs and community concerns. "As each

has received a gift, use it to serve one another, as good stewards of God's varied grace." (1 Peter 4:10).

Integrating virtue ethics in leadership practices fosters ethics within organizations, and supports the strategic goals of the organization whilst positively contributing to society, "Whatever you do, work heartily, as for the Lord and not for men." (Colossians 3:23).

2. Theological Foundations of Virtue Ethics:

Virtue ethics has strong theological origins, as renowned scholars like Augustine of Hippo and Thomas Aquinas have made significant contributions to the understanding and application of virtue. These insights provide a means of integrating traditional values and religion, as well as helping to strengthen our business and leadership ethics.

Thomas Aquinas is a significant character in virtue ethics; he is the one who combined Aristotle's *Nicomachean Ethics* with Christian Theology. He described virtues as a consistent and solid desire to do good, anchored in religion and reason. Thomas Aquinas recognized four cardinal virtues: prudence, fortitude, justice, and temperance. On the contrary, Ambrose explained the phrases, "Blessed are the poor in spirit" (Lk.6:20) says: "We know that there are four cardinal virtues, viz. temperance, justice, prudence, and fortitude." But these are moral virtues. Therefore the moral virtues are cardinal virtues.", (Aquinas, 1920). He introduced into the concept of virtue ethics the theological virtues of faith, hope, love, and the necessity for achieving ultimate happiness and union with God. "And now these three remain: faith, hope and love. But the greatest of these is love.",¹ Corinthians 13:13.

Augustine of Hippo is another key figure in virtue ethics, emphasizing love as the foundation for all virtues. He argued that virtues are manifestations of love aimed toward God and others, and that love reformed human ethics by developing a culture of

Leading with Virtue: Theological Insights into Ethical Business Leadership care and responsibility. "Love your neighbor as yourself.", Matthew 22:3, "Purity of life has reference to the love of God and one's neighbor; soundness of doctrine to the knowledge of God and one's neighbor.", (Saint, 2018).

In business, faith reflects a dedication to ethical ideals and a strong conviction in moral behavior, which motivates executives to operate with integrity and develop a culture of trust and support. "Now faith is confidence in what we hope for and assurance about what we do not see.", Hebrews 11:1.

Hope is the virtue that encourages resilience and perseverance when faced with adversity. A strong belief in hope can drive innovation and can align long-term goals with ethical values. "But those who hope in the Lord will renew their strength." (Isaiah 40:31).

Finally, love guides ethical relationships and promotes the common good. Love translates to empathy, fairness and justice in business. "Do everything in love." (1 Corinthians 16:14).

In conclusion, theological virtues such as love, faith, and hope serve as a basis for ethical leadership in business, cultivating leaders who emphasize dignity and ethical decision-making, as well as aligning corporate processes with moral ideals to contribute to a more equitable and compassionate society.

3. Virtue Ethics in Business Leadership:

3.1 How Virtues Shape Leadership Styles:

Humility in leaders shapes leadership styles by allowing the leader to recognize their limitations, to value others contributions, and to make themselves and their organization more open to feedback. Humility is the best way to create a servant leadership style, and this helps the organization to foster collaboration and inclusivity at all levels. "Do nothing out of selfish ambition or vain conceit. Rather, in humility value others above yourselves, not looking to your own interests but each of you to the interests of the others." (Philippians 2:3-4).

Integrity builds a consistent and unwavering adherence to the ethical and moral principles given to us in the Bible. It builds trust, and creates a culture of honesty and transparency, which drives ethical decision-making that is aligned with the Christian values of the organization. "The integrity of the upright guides them, but the unfaithful are destroyed by their duplicity." (Proverbs 11:3).

Courage allows the leaders to confront challenges, make difficult decisions, and take risks. It encourages a transformational style of leadership, which inspires resilience as well as innovation. Courage also creates and supports a culture that embraces change and creativity. "Have I not commanded you? Be strong and courageous. Do not be afraid; do not be discouraged, for the Lord your God will be with you wherever you go." (Joshua 1:9).

Finally, empathy shapes leadership styles by allowing the leaders to understand and share others feelings, empathizing with them. This strengthens relationships, as it allows leaders to personally consider the human impact of their decisions. Because of this, empathy helps to promote policies based on diversity, inclusion and work-life balance. "Rejoice with those who rejoice; mourn with those who mourn." (Romans 12:15).

3.2 Case Studies of Business Leaders Who Embody Virtue Ethics:

3.2.1 Truett Cathy (Chick-fil-A):

Truett Cathy, the founder and CEO of Chick-fil-A until his death in 2012, embodied humility and integrity through his business by establishing a policy to close Chick-fil-A restaurants on Sundays, Christmas day and Thanksgiving day, to allow his employees time to rest and worship, "Our founder S. Truett Cathy made the decision to close on Sundays in 1946 when he opened his first restaurant in Hapeville, Georgia. Having worked seven

Leading with Virtue: Theological Insights into Ethical Business Leadership

days a week in restaurants open 24 hours, Truett saw the importance of closing on Sundays so that he and his employees could set aside one day to rest, enjoy time with their families and loved ones or worship if they choose, a practice we uphold today.”, (What Hours Are Chick-Fil-A Restaurants Open?, n.d.). This decision reflects the dedication to Christ and employee well-being over profit.

Chick-Fil-A also emphasizes servant leadership, which is most commonly shown by how they treat employees with care and respect as well as saying “My pleasure” when they hand out an order, “Over the years, “my pleasure” has become much more than a phrase – it embodies Chick-fil-A's commitment of creating remarkable experiences, one interaction at a time.”, (Why Do Chick-Fil-A Team Members and Employees Say ‘My Pleasure?’, n.d.).

This effort by Chick-Fil-A fosters a positive corporate culture, and results in extremely high employee satisfaction, and builds a customer base that is appreciative of the company’s Christian values and dedication to ethics. “With McDonald's and Wendy's falling well behind in such metrics, Chick-fil-A holds a specific advantage in both customer and employee satisfaction.”, (Cardwell, 2013).

3.2.2 David Green (Hobby Lobby):

The next Business leader embodying Christian values and showing it is beneficial to combine faith and business is David Green. David Green is the founder of Hobby Lobby, and in his time as CEO of the company he has donated hundreds of millions of dollars into Christian ministries, Evangelical organizations in the United States and funded the Museum of the Bible in Washington, D.C.

He showed integrity and stewardship by challenging the Affordable Care Act’s contraception mandate on religious grounds, ”Hobby Lobby refused to comply with one particular

Affordable Care Act (aka Obamacare) diktat because it was a Christian Company.”, (Bowyer, 2017), and even when faced with legal and financial hardships, never wavered in his Christian beliefs. This has allowed David Green to position Hobby Lobby as a company that prioritizes Christian Ethics, and focuses on family values and community support. It has built loyalty among employees and customers that are aligned with the company’s Christian principles.

3.2.3 William Booth (The Salvation Army):

William Booth founded the Salvation Army to provide spiritual guidance as well as charity to those who were poor and disenfranchised. He advocated for social reforms in order to address the root causes of poverty. He was focused on helping people spiritually as well as physically, and through this he embodied the principle of loving one’s neighbor. The impact he has had on the world cannot be understated, as The Salvation Army has now spread their presence globally, and is actively dedicated to fighting social injustices and helping assist people who are victims of natural disasters. “The Salvation Army, an international movement, is an evangelical part of the universal Christian Church. Its message is based on the Bible.”, (The Salvation Army, 2019).

3.3 Conclusion:

These Christian leaders have effectively integrated Christian principles and values into their leadership style. They have grounded their leadership in the values of humility, integrity, generosity, compassion, and service. By creating organizations that have thrived economically whilst helping society, they have demonstrated that leading with faith and virtue positively impacts the world and upholds the Christian principles.

4. Challenges and Criticisms:

4.1 Potential Conflicts Between Profit Motives and Ethical Leadership:

Business environments naturally prioritize profits, financial outcomes and shareholder value. This presents a problem as ethical leadership can conflict with the profit motive, especially in industries that are very competitive.

There are many dilemmas business leaders face when trying to act ethically in business, for example if a leader committed to honesty faces a situation where being transparent will lead to a financial loss, they will be faced with an ethical dilemma where revealing the unfavorable information will lead to a short term loss but aligns with the ethics, but withholding the information will boost the profits but compromise the ethics of the business. There is also a lot of pressure in industries with a low-margin, where there is a lot of pressure to deliver results, and leaders can prioritize economic success over ethical considerations, and they could use the rationale that the “end justifies the means”.

This is problematic from virtue ethics perspective because it undermines the moral character. There is also a concern that profit-driven decisions can lead to exploitation of the employees or the environment. “The vast majority of the 20.9 million forced labourers – 18.7 million (90 per cent) – are exploited in the private economy, by individuals or enterprises.”, (International Labour Office, 2014). Some examples of the type of exploitation include reducing employee benefits, or outsourcing to areas and regions where the labor laws are more relaxed than those in the businesses home country, “*Measures are needed to strengthen laws and policies and reinforce inspection in sectors where the risk of forced labour is high.*”, (International Labour Office, 2014). We can overcome these difficulties by consulting the Bible, finding passages like Proverbs 22:16: "One who oppresses the poor to increase his

wealth and one who gives gifts to the rich—both come to poverty."

In contrast, virtue ethics and sustainable leadership advocates for balancing the economic goals with ethical principles. It says leaders should make decisions that advance their interests financially and the interests of the common good. The benefits of doing business this way is that while the business may lose some short-term profits, in the long run they can build trust, loyalty and social responsibility.

4.2 Criticisms of Virtue Ethics from a Secular Perspective:

There are many criticisms of virtue ethics from a secular perspective, especially in business. One of the main criticisms is that virtue ethics is overly idealistic and hard to apply to complex financial dilemmas. In contrast to this, deontological and consequentialist approaches may be offered as they offer a clear guideline for what to do in business situations.

Another criticism is because virtue ethics emphasizes character development and moral judgment, the application of virtues can be subjective, which can lead to inconsistent decision-making for leaders. For example, the virtue of courage might not provide a clear direction for a specific ethical dilemma.

Cultural and religious norms provide another avenue for criticism, as virtue ethics, especially those with theological roots might rely on norms that are not universally accepted, as well as not resonating with secular businesses or multicultural environments. For example, in Islam, the virtue of modesty often requires women to wear the hijab or other coverings, whereas in Christianity, modesty might be seen by simply wearing modest but not specific attire, like dresses or skirts that cover the knees with no uniform dress code. "I also want the women to dress modestly, with decency and propriety, adorning themselves, not with elaborate hairstyles or gold or pearls or expensive clothes, but with good deeds, appropriate for women who profess to worship God.", 1 Timothy 2:9-10.

Finally, the secular criticisms of virtue ethics in business can be that virtue ethics overlook more systemic issues like organization culture, regulations and incentives, and that addressing these issues on a larger scale is crucial to promote ethical leadership.

However, despite these criticisms, we know that virtue ethics is crucial for fostering genuine ethical leadership. Whilst virtue ethics doesn't provide a universal solution to every business problem, it offers a solid foundation that enables leaders to navigate ethical dilemmas with virtue and wisdom. By creating this culture of virtue and ethics, we establish a culture that goes further than just compliance, and establishes a more just and sustainable environment. "Let your light shine before others, that they may see your good deeds and glorify your Father in heaven." (Matthew 5:16).

5. Conclusion:

Overall, this paper shows that integrating faith and corporate social responsibility has many implications for business education and leadership development programs. By integrating Christian principles and values, business education can emphasize virtues like humility, integrity, and courage, as echoed in Philippians 2:3, which states, "Do nothing out of selfish ambition or vain conceit. Rather, in humility value others above yourselves." Incorporating virtue ethics into the curriculum serves as a guide for real-world decision-making, aligning with Proverbs 11:3, "The integrity of the upright guides them, but the crookedness of the treacherous destroys them." By utilizing case studies like the ones in this paper, mentorship programs, and reflective exercises, students can internalize these values. Doing this will prepare students to be future leaders and navigate complex ethical dilemmas in their professional settings, as encouraged in James 1:5, "If any of you lacks wisdom, you should ask God, who gives generously to all without finding fault, and it will be given to you."

The recommendation for business leaders when integrating virtue ethics into corporate culture is to foster a

corporate culture where virtues aren't just encouraged, but expected. As stated in Titus 2:7, "In everything set them an example by doing what is good." By implementing ongoing training, reinforcement, and recognition of virtuous behavior, businesses can align their practices and policies with the principles of fairness, transparency, and accountability, as highlighted in Proverbs 21:3, "To do what is right and just is more acceptable to the Lord than sacrifice." Business leaders should also select and promote leaders based on their commitment to these ethical virtues and principles, as well as their financial performance. Organizations need to regularly assess their culture and leadership practices to ensure they remain focused on Christian virtues and principles, as we are reminded in 2 Corinthians 13:5, "Examine yourselves, to see whether you are in the faith; test yourselves." By taking these steps, leaders can balance making a profit and being successful in business with their moral responsibilities to themselves, their shareholders, society, and to God, as expressed in Colossians 3:23-24, "Whatever you do, work at it with all your heart, as working for the Lord, not for human masters, since you know that you will receive an inheritance from the Lord as a reward."

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