

The Role of Good Corporate Culture and Self-Regulation in the Virtuous Organization

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Abstract--- *This paper investigates the role of good organizational culture together with self-regulation as ways to cultivate character of members of the organization, emphasizing the process of personal moral character development. To achieve this objective, this paper starts by discussing whistle-blowing practices in some organization especially business organizations which have displayed employees' courage in speaking up about misconduct in their organizations. Two case studies were employed both cases in the USA and the UK in relation to an alert to the necessity for ethical awareness by corporations. From the case studies, this paper found that sometimes an employee's character can be a bulwark of integrity against an environment of practices that involve wrongdoing and this can lead employees to feel they have no option but to be whistle blowers if the organization does not fulfil its moral responsibilities. Thus, in this paper, the role or function of good corporate culture in shaping the moral development of employees is discussed in relation to the idea of virtuous organization. At the end, this paper argues that that human excellence through self-regulation can be a basis for good organizational culture by presenting moral conduct.*

Keywords--- *Good Organizational Culture, Human Excellence, Self-Regulation, Virtuous Organization.*

I. INTRODUCTION

Recently, many whistle-blowers display their courage in speaking up about misconduct in their organizations. For instance, evidence can be found from some cases¹: Edward Snowden is a computer analyst who became a whistle-blower when he revealed the secret that the National Security Agency (NSA) of the United States was carrying out electronic surveillance on the phones and internet communications of citizens using the PRISM program; In Britain, Annie Mach on blew the whistle on alleged failures and crimes at MI5, including illegal phone taps. Seth Freedman is the whistle-blower at the centre of the gas price-fixing scandal in the UK, who reported unusual movements in the market. Eileen Chubb with six other care workers spoke out against abuses they had witnessed against elderly residents at a Bupa-run home in Kent, UK. These whistle-blowers faced a dilemma: should they choose loyalty to their organizations or integrity to themselves and responsibilities to others. Although there is a standardised operating procedure, code of conducts and communication channels, it is still challenging if the managers and employees have new ethical issues without any real idea of how to approach them. This often involves making decisions which have ethical consequences as well as economic and social consequences, and are therefore problematic (Grey, 2013:139). Therefore, this paper discusses the issue of moral dilemma in the organization and how good corporate culture could help in coping and dealing with it.

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¹The Guardian, Tuesday 11 June 2013, page 6 – 8 under the title 'Risking Your Career and Liberty Takes Courage: Seven Whistleblowers Speak', and 'The Truth Sets You Free'.

According to Weaver (2006), one way that an organization can influence employees to be humane and caring is 'by providing and encouraging opportunities to act virtuously', meaning that virtue could potentially be an important element in corporate or organizational culture. For instance, being responsive to customers rather than simply smiling to order. At a more organisational level, corporate policies allow and encourage employees to speak up in terms of corporate activities.

We can consider a corporate failure as in the following instance for a case study, where the Health Secretary of the UK reported to the House of Common.

I wish to make a statement about today's independent report on the Care Quality Commission's regulatory oversight of University Hospitals of Morecambe Bay NHS Foundation Trust [...]As we saw in the case of Mid Staffs, a culture in the NHS had been allowed to develop in which defensiveness and secrecy were put ahead of patient safety and care. Today I want to explain to the House what the Government is doing to root out that culture and ensure that that kind of cover-up never happens again.²

(Jeremy Hunt, UK Health Secretary speaking in the House of Common, June 19, 2013)

The Health Secretary was attacking in the House of Commons what he called 'the culture of defensiveness and secrecy in the NHS itself'. The shocking scandal of the University Hospitals of Morecambe Bay NHS Trust, relating to the deaths of 30 mothers and babies from 2008, as well as the hundreds of patient deaths in Mid Staffordshire, illustrates the failure of the corporate culture in one part in the National Health Service (NHS). The Morecambe Bay NHS corporate motto, 'We will be the best – giving excellent compassionate care to the people of Morecambe Bay', failed in its claim to put patients at the heart of the NHS. This case is about patient care in the hospital that went unchecked by the Care Quality Commission (CQC), the hospitals' watchdog as the authorised institution for ensuring national health standards in the UK. Although the CQC also states in its website that 'We check all hospitals in England to ensure they are meeting national standards, and we share our findings with the public', the deliberate actions to cover up deaths in the maternity unit show us how this was a statement not translated into action. Moreover, if the covering-up of any wrongdoing is regarded as an isolated incident, it is clear that the corporation still understands ethics as a confidential matter between employees and their consciences, and nothing to do with failures by management (Paine, 1994).³ In the future, top management will have to recognize that responsibility lies with itself.

From the case above, NHS's corporate culture needs to be changed from one of defensiveness and secrecy to openness and transparency with patients as the priority. Goodpaster (2000) has elaborated the importance of the 'conscience' concept as ethical awareness within the corporation, which produces character and integrity (Solomon, 2003). These NHS failings indicate that corporations still need corporate ethical awareness as well as systems of law and regulation, and rewards and sanctions. However, the moral status of corporations is often overlooked and left

²See House of Commons' Hansard, Volume No. 564 Part No. 2 Column 923, debates on Care Quality Commission (Morecambe Bay Hospitals), June 19, 2013.

³See Paine (1994), in 'Managing for Organizational Integrity', argues that corporations should have an integrity-based approach; where complying with the regulations is assessed by considering managerial responsibility, and how corporations shape employees' characters; rather than implementing compliance-based ethics programs which are rooted in attempt to avoid legal sanctions.

undecided in the discussion of business ethics (Moore, 1999). In fact, ethical awareness within the organization is important to prevent companies' misconduct.

The problems in the NHS are connected to other corporate ethical failure that arose earlier in two companies in the United States in the '90s: Sears Auto Center and Beech-Nut Nutrition Corporation.

In 1992, Sears, Roebuck & Company was inundated with complaints about its automotive service business. Consumers and the attorney general in more than 40 states had accused the company of misleading customers and selling them unnecessary parts and services, from brake jobs to front-end alignments [...] and in the early 1980s, only two years after joining the company, the CEO of Beech-Nut Nutrition Corporation found evidence suggesting that the apple juice concentrate supplied by the company's vendors for use in Beech-Nut's "100% pure" apple juice contained nothing more than sugar water and chemicals. The CEO could have destroyed the bogus inventory and withdrawn the juice from grocers' shelves, but he was under extraordinary pressure to turn the ailing company around. Eliminating the inventory would have killed any hope of turning in even the meagre \$700,000 profit promised to Beech-Nut's parent, Nestle.

(Paine, 1994)

Therefore, this is the challenge: to institutionalise the idea of ethical awareness so as to be identified, articulated, adapted, reinforced and sustained at the organisational level (Goodpaster, 2000).

II. DISCUSSION

Fostering a culture of ethical awareness in the organization or corporation by using an institutional approach is relevant to the ideas of Moore (2005) in his article 'Corporate Character: Modern Virtue Ethics and Virtuous Corporation'. Moore (2005) argues that virtue should be institutionalised in the corporation. The virtuous corporation can be argued to be a moral development in the workplace rather than moral character being compartmentalised or fragmented using roles and job descriptions. Integrating moral responsibility on a day-to-day basis in the workplace can prevent ethical lapses in the corporation (Paine, 1994).

This situation of self-conflict can be explored using the case where an employee is convinced that a company which he or she works with is engaging in wrongdoing in its business operations. Confrontation or compliance with his or her company's situation is often the choice. The employee has to face an ethical dilemma between personal and corporate values. The self-conflict due to different moral standards between individual employees and corporate culture can potentially lead to whistleblowing in the workplace (Jubb, 1999).⁴ An employee who is a potential whistle-blower chooses personal and organizational values by speaking up or loyalty to the organization by 'closing their eyes' without any confrontation. From the definition by Jubb (1999), it is important to underline that the motive of the whistle-blower is to rectify the wrongdoing which maybe misconduct, incompetence or fraud alleged

⁴According to Jubb (1999), whistle blowing can be defined as 'a deliberate non-obligatory act of disclosure, which gets onto public record and is made by a person who has or had privileged access to data or information of an organisation, about non-trivial illegality or other wrongdoing whether actual, suspected or anticipated, which implicates and is under the control of that organisation, to an external entity having potential to rectify the wrongdoing.'

to have been covered up. Whistle blowing can also be viewed as behaviour aimed at avoiding complicity and maintaining personal integrity (Jubb, 1999).

Moore (2005) has elaborated the idea of the virtuous organization using MacIntyre's virtues-practice-institution schema where the organization is the fundamental institution to practise virtue. Moore defines the virtuous institutional character as 'the set of the virtues necessary for an institution to engage in practices with excellence, focusing on those internal goods thereby obtainable, while warding off threats from its own inordinate pursuit of external goods and from the corrupting power of other institutions in its environment with which it engages'. This means that virtue is more focused at the level of the institution in order to sustain and foster virtue among employees (Moore, 2005). Moore and Beadle (2006) argue that there are three preconditions necessary for a virtuous organisation: firstly, the presence of virtuous agents at both the level of practice and the institutional; secondly, a mode of institutionalisation that, in particular, prioritises internal goods (is conducive to good practice), while maintaining sufficient attention to external goods to ensure an appropriate balance of the two; and thirdly, an environment within which organizational virtue can flourish. The role of the institution should have the capability to help employees enhance their virtues (Bertrand, 2009).

Whetstone (2005) argues that the concept of the virtuous organization can be used to define the values and the normative intent of policies and procedures in the corporation, if it is understood in the virtues-based context of the pursuit of an overall organizational mission. Field research to define managerial excellence within the organization has been conducted by Whetstone (2003). He argues that managers' cultural surroundings influence their characters, insofar as they make more rigorous the enforcement of moral development in organizations. To help managers to develop in leading their organizations in an ethical manner, Whetstone (2005) has related virtue to three aspects of management, namely mission, culture and leadership.

III. THE IMPORTANCE OF MISSION, CULTURE AND LEADERSHIP

In relation to the first aspect of that Whetstone (2005) argues is important to achieve virtue in the corporation, that is mission, the management of organization can develop a mission statement which is fully committed and concerned to respond to virtue. Second, an ethical organization culture is a derivative of a good mission statement based on virtue. The argument is that mission statements based on virtue can influence and be a normative foundation in organizational culture. Third is the leadership aspect; leaders have the most power to determine the culture within corporations. Therefore leaders have the chance to improve ethical behaviour and awareness of the organization's members to implement virtue, because organization culture is constantly being enacted and created by our interactions with others and shaped by leadership behaviour (Schein, 2004). One example from Whetstone of how organizational managements can affect virtues in their organizations is by using the cultural requirement for honesty as a basis for trust and mutual agreement, both as an individual virtue and a collective commitment. However, how to nurture of the virtuous organization is still a matter of debate, as the arguments between Schuldt (2000) and Gowri (2007).

For instance, in business organization, Schuldt names four organizational virtues: efficient productions, resource management, correct pricing, and right relationship with stakeholders. However, his argument is based on the idea

of *sustainable profit* rather than human nature. This leads him to the conclusion that organizational virtue differs from ordinary human virtue. Gowri contested Schuldt's argument by proposing the idea that organizations have appetites which are similar to ordinary human greed; such as enlarging the scope of their markets, and cutting down vegetation (deforestation) for their own purposes (Gowri, 2007). Corporate appetite might easily be pursued to excess unless moderated by virtues (Gowri, 2007); and therefore the profit motive will, as Schuldt explains, not lead an organization to be virtuous. To study how to nurture virtues in the organization, however, we must be consistent about the purpose of the organization. In very practical ways, the important discussion of how organizations can set up a virtuous organisation is by using Goodpaster's (2000) four manifestations of organizational ethical awareness: reflectiveness, humility, anticipation and community involvement. These awareness variables can arguably provide workable concepts to create a virtuous atmosphere in the organization.

Table 1: Goodpaster's Four Variables of Organizational Ethical Awareness

Manifestation of Organizational Ethical Awareness	Actions to be taken
Reflectiveness	Opportunities to give employees an atmosphere of reflectiveness or thoughtfulness about their missions. 'This can help corporations ensure their ethical integrity more than any preoccupation with rules, laws and programs for policing wrongdoing'. In practice, corporations can set up the habit of reflectiveness; daily, weekly, monthly or annually using special spaces such as meditation rooms to support managers in rekindling their sense of corporate mission and values.
Humility	A willingness for the managers to be self-critical about any gap between employees' articulated core values and practice. This means learning from mistakes. In practice, humility can be encouraged through corporate communication channels such as companies' newsletters and then employees can confirm and clarify the ethical values of the company in specific contexts.
Anticipation	Corporate ethical awareness means anticipation by leader to ensure they are attentive to ethical recruiting, promotions, and succession planning. Awareness is sustained by careful selection and orientation of both newly hired employees and new leaders.
Community involvement	Corporate community involvement is an institutional manifestation of what for individuals is an acknowledgement of connectedness and some degree of responsibility for the well-being of the surrounding social system". This concept is more relevant to the virtue of friendship when community involvement is an extension of ethical awareness through philanthropy.

Source: Goodpaster (2000).

For Goodpaster, corporate ethical awareness begins with employees' behaviour in relation to specific actions. Acting in anticipation provides an understanding that leadership is important in creating the virtuous organization. Goodpaster also considers that community involvement is the way organizations balance their responsibilities as part of the whole community, to contribute to its life through programs of philanthropy.

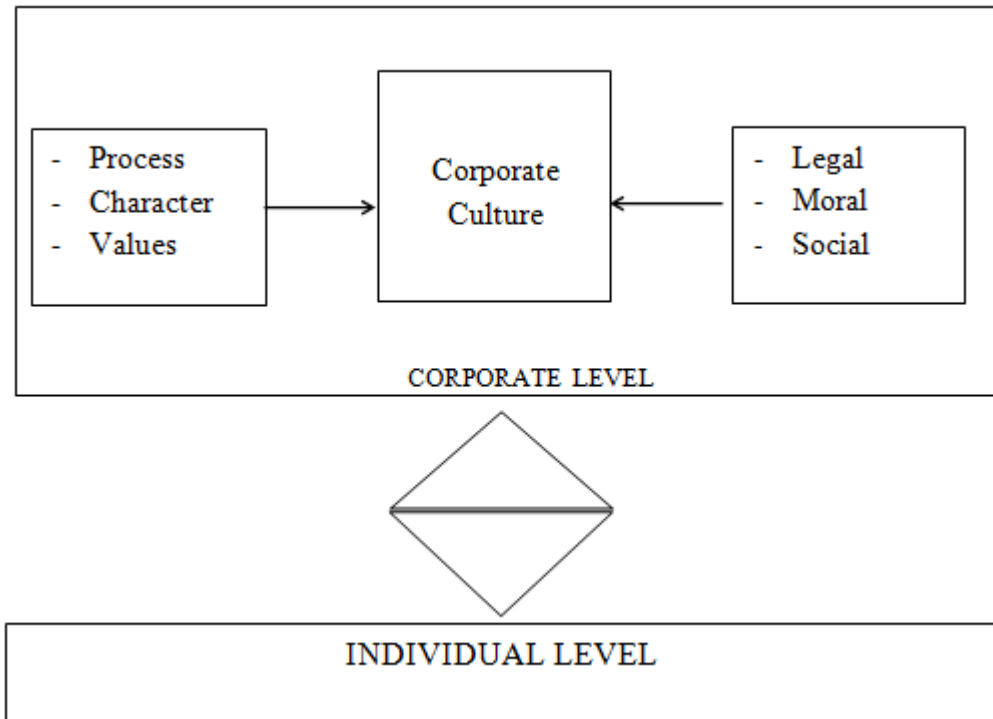
IV. CORPORATE CULTURE AS A TOOL FOR CORPORATE PERFORMANCE

Corporate culture is now considered to be an important tool for management in order to reach a high level of corporate performance. "It is the way people should behave and treat one another, the nature of the working relationships that should be developed and the attitudes to change of those in charge" (Torrington & Hall, 1991: 106 quoted in Whetstone, 2005). According to Schein (2004), it is more a set structure with routines, rules, and norms that guide and constrain behaviour. Schein (2004) argues that corporate culture should have four critical elements: structural stability, i.e. the culture should be stable and hard to change; depth, meaning that it is deeply embedded; breadth, meaning it is developed; and patterning or integrating, which ties together with various elements such as values and behaviour to create coherence. Therefore, corporate culture can establish the ethos of the organization, determining its management's moral stance and behaviours (Whetstone, 2005, p.372-376).

Emma Martin's (1992) perspectives on culture would also be useful to integrate into this discussion. The question now becomes central, as to whether corporate culture can really be said to be virtuous? And how do organizations face different ethical and moral issues day to day? For instance, business organizations have to deal with government legislation on ethical issues, and customer awareness. The idea of the virtuous corporation could be a novel development of corporate culture. Management need to consider what organizational virtues are appropriate and how they can be developed, but only as suited to its own cultural milieu and mission (Whetstone, 2005). Whetstone finds that: (1) virtue ethics and virtue language is fluently used by practising managers, (2) virtue language is important to understanding managerial excellence, and (3) whereas the set of virtues defining the *excellent manager* can be expected to depend on the societal, industrial, and organizational context, such a set of manager virtues is to be identified and prioritised within a particular organisational milieu.

The reason is, as Jones (1995) says, that the characteristics of people within the organization are a major determinant of organization culture. Chun (2005) hypothesises that 'organizational virtues are ethical characters of organizations that can be operationalised using human personality traits validated as organization personality'. According to Moore (2005, p. 677) 'the task of creating the virtuous organization is essentially managerial'. For instance, values or norms can be formulated by improving the "rationality" of managerial action (Alvesson and Berg, 1992). These arguments are based on the fact that managers have the power to determine the ethics of organizations on the ground. Therefore, it is all the more important that the values that exist within their organizations don't conflict with the values of the individual. So, the analysis of good corporate culture in the virtuous organization can be seen at figure 1 below:

Figure 1 the Concept of Virtuous Organization



The Process of making good decisions in accordance with virtue in a particular situation plays a very important role in practical wisdom (Mele, 2010). Using on-going learning, which is the development of virtues over time, the manager or employee is expected to make a decision in business situations consistent with knowledge and experience. Ideally, managers and employees, all together, can redefine certain rules or demand the abolition of unacceptable rules in their corporations. This process can lead to the formation of stronger character (Hartman, 1998) because of life experience, learning and self-reflection.

Character can embed when people know moral practice where Hartman (1998) confirms this: his view is that people who have a strong character will act consistently with their values, despite possible conflict with their values from outside. He argues that “character is the whole of which the virtues are some of the components”.

A *value* itself is what we hold to be important, and what we are all about (Deal & Kennedy, 1999). Therefore, values are the bedrock of corporate culture. Pedersen and Sorensen (1989, p. 15) consider that ‘values are characterized by being highly conscious and explicitly articulated due to their normative or moral function in leading members of the group to handle specific matters well and behave appropriately in certain situations’. It is likely that the greatest level of awareness can lead individuals to espouse values. Over time, if these seem to be effective in practice, they can potentially affect corporations’ aspirational ethical values in a positive way. It means that values will form the core of culture.

Social

Human relationship is a kind of social virtue which is attuned to present-day business practice. This statement can be supported in two ways. First, in the wider context of the community, human relationship can benefit society as a whole. For instance, managers and employees have a corporate relationship to the community, where they have a responsibility to prove their integrity by helping their communities (Irwin, 1988). Second, human relationship can be found in the relations between individuals inside the corporation (Mele, 2012; Bertland, 2009). For instance, a mentoring process in the corporation could be a way for a relationship to develop. This means that 'learning occurs via instructions from the mentor and also through the way the mentor acts as an ideal model for the protégé' (Moberg, 2006, p. 553). This is a dialogue where staff are 'associates' rather than 'employees' (Boyd and Taylor, 1998). In this case, productive relationship can be formed in the corporation.

Moral

Human relationship in the organization is an essential moral phenomenon because it involves a commitment to and concern for others (White, 1999). These enable individuals and communities to help each other to flourish (Brewer, 2005; Sherman, 1987; Cooper, 1977). There is a degree of consideration for other people and empathy, caring about other people and cooperating with them. So we can be a good person and a friend within our community. These conditions hardly ever occur within a corporation but they would occur if managers or employees show moral sensitivity throughout the organization.

Legal

It may be thought odd to claim that human relationship at the workplace can be related to legality. Corporate codes of conduct function in a regulatory framework. Human relationship is a civic duty, which is performed in a consistent manner with legal requirements. It is important to consider legal constraints where voluntary relationship towards the wider community is not being properly executed. Limited in this way, the virtue of friendship will guide ethical codes and principles.

In the end, all these elements can be translated into corporate culture, which emphasizes consistency and collective action. The virtuous organization occurs as efforts of each member. Thus, the corporate culture can create a virtuous corporation or organization.

V. SELF-REGULATION AND MORAL COURAGE

Virtues regulate the dynamic interplay between knowing and doing or knowledge and behaviour' (Arjoon,2008). A person who is rationally concerned with himself, and whose concern rests on a true conception of himself and his nature as a rational agent, will practice virtue (Irwin, 1988. p.376). In addition, the virtuous person's virtues constitute his character with his rational concern (Irwin, 1988. p.377). Therefore, by using intellectual virtue, the ability to respond to a situation will enable the person to learn in different situation and context, rather than simply repeating the exact same thing. Therefore, courage and human relationship influence our behavior to act and bring to a process regulation in our self.

The first step to have self-regulation is the character of a person that can determine whether a person will act or not act (Sekerka & Bagozzi, 2007). For instance, a virtuous person who has a courage and human relationship can cultivate his or her character as the basis for the good life, and emphasizes the process of personal moral character development (see Whetstone, 2001), namely self-regulation process. The virtuous person will have a disposition to choose specific actions for their own sakes (Darwall, 2003). Since self-regulation aims to initiate or change responses to given situation (Sekerka & Bagozzi, 2007), virtue could contribute to forming habits in a personal character to acknowledge excellence or respond to a situation in a morally excellent way (Swanton, 2003; Arjoon, 2000). As such, the development of good character traits on virtue ethics relates to self-regulation. For instance, human relationship can be related to stakeholder theory when the basis of the best relationship is the virtuous person's ability to take the sort of interest in someone else that allows him to extend his own concerns, and so to realize capacities that would otherwise be left unrealized (Irwin, 1988. p.399).

In addition, to continue the example of the self-regulation process, Irwin (1988) states that if somebody knows that he is a virtuous person and shares his virtuous aims, he knows of ways to cooperate with them and can share in their deliberation, and therefore he has reasons to be interested in their aims as in his own. Since their aims are virtuous, he approves them, and can affect them by his own rational planning and deliberation. Sekerka and Bagozzi (2007) believe that self-regulatory process is governed by an appraisal of whether acting (or not acting), and therefore it is consistent with the type of person; whom the individual is or wants to be. It is similar with Driver's claim (2001, p. 109) that the only agents who possess moral virtue are those with wills. This means, inevitably, that there is crucial link between ethical decision making and motive or will. Sekerka and Bagozzi (2007) contend that before formulating a moral commitment, people who are morally courageous have a will to a particular reason; for instance, considering whether or not their actions will contribute to personal and organizational flourishing.

Furthermore, acting in a morally courageous way is subject to self-regulation and thus may become more common accepted than is implied by popular discourse. However, to complete the self-regulation process, it is quite important to consider motive or will to act and to establish an ethical decision-making. For instance, Irwin (1988) argues that we have to realize our essential capacity for rational determination of human choice and action to be a virtuous person. Therefore, the motive itself can drive a person to act a virtue.

The virtuous agent will have courage on the basis of rational judgement (MacIntyre, 1981. p.140). An additional salient point from Irwin (1998. p. 374) shows the rational person, therefore, will choose the states of character that involve rational control over other states and actions. Wisdom that comes from reasoning and thinking must be acquired in an ethical intellectual way. For instance, courage requires thoughts about what is dangerous and what is appropriate as a response to it (Annas, 2011). Moreover, how can moral courage influence the ethical decision-making process? Sekerka and Bagozzi (2007) define moral courage is an ability to use inner principles to do what is good for others, regardless of threat to self, as a matter of practice, such as the ability to face danger, fear or vicissitudes with self-possession, confidence and resolution. However, they underline that moral courage also reflects the state or quality of mind or spirit. In other words, moral courage should be guided to judgement based upon convictions of what is considered right, rather than acting only on physical evidence or consequences, or in response to deterministic pressure of one sort of another.

Therefore, this concept is likely confirming that moral courage is not only knowing what to do, but also about acting accordingly in implementing moral courage. Particularly, there is coherence of conclusion in the virtue process that when acting of moral courage relates to virtue, then it is consistently derived from habits of the heart, which can be facilitated by personal volition and self-regulation for making decisions in a purpose of a good ends. In the context of business ethics, people who are morally courageous will consistently practice those virtues to be used in their decision-making and be motivated by substantive virtue. Therefore, if people understand the process that explained above, they are expected to be able to make plans and enter cooperative schemes. In a real context, a definition of partnership among stakeholders can be implemented by using human relationship.

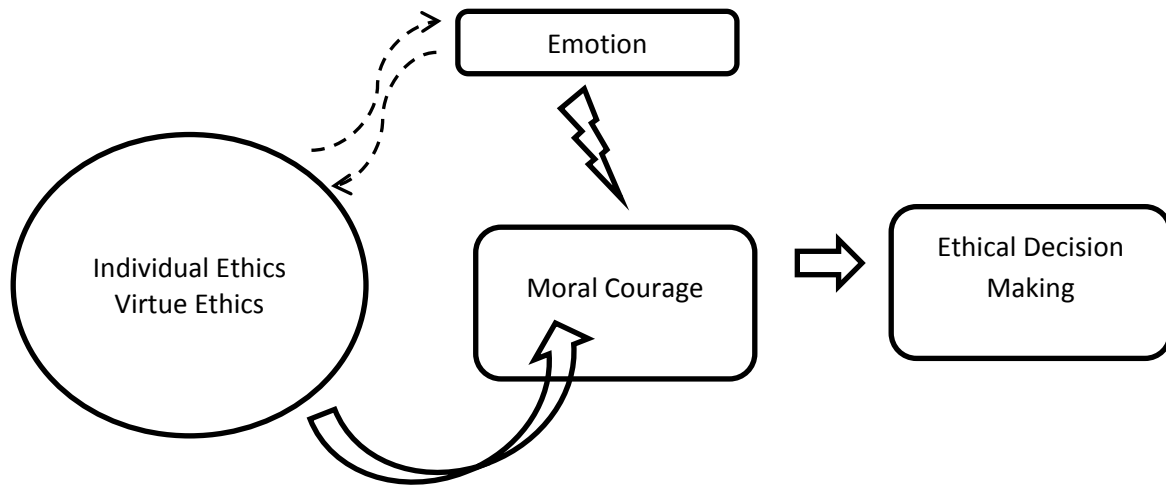


Diagram 1: Self-Regulatory Process

Diagram above illustrates the role of emotions to support a person in having moral courage. However, having emotions in self-regulation process aims to depict how we evaluate and control our motive. This is consistent with Foot (1978) that virtues are corrective. In addition, Nussbaum (2001) describes emotions in specific way as content of judgement or appraisal, guiding us to ethical choices. Therefore, Nussbaum (2001) proposes an issue on philosophical emotion that considers emotions as part of the system of ethical reasoning. Each emotion is *about* something, it can have an object such as fear, hope, and ultimate grief. The object here is *intentional* object because it can be interpreted by a person who has emotion. However, Nussbaum argues that interpreting the object is often very complex because it has to use the language of belief where the belief is concerned for values such as virtue for the good-ends. Therefore, the emotion appears to be eudemonistic as Nussbaum said.

Besides internal factors such as courage and human relationship, it has been argued that virtue for ethical decision-making can be associated with organization and culture (see Chun, 2005). For instance, the development of a desire to act with moral courage is influenced by personal factors that are, in turn, dependent upon social forces such as organizational directives, social norms, perceived rewards and punishments, social pressures and other situational and contextual factors (Sekerka & Bagozzi, 2007). Furthermore, they suggest that social forces shape decisions to act with moral courage, as a function of subjective norms, group norms and social identity.

A few studies involving virtue ethics have provided an argument that different people, cultures, and societies often have vastly different perspectives on what constitutes as a virtue. In this regards, behavior which is considered virtuous in one culture may not be considered as virtuous in other cultures and vice versa (Zagzebski, 1996. P.88). Furthermore, virtue is sensitive to cultural difference (see e.g. Mele, 2005; Hursthouse, 2007) and it makes up for relative meaning (Crockett, 2005). Therefore, the modern philosopher, Alasdair MacIntyre (1981) says that it is worth considering an organization to play a role as a moral entity in a community and it can be a place for systematic efforts to practice and develop virtuous behavior in order to achieve the virtuous organization (Moberg, 1997; Arjoon, 2007). In this sense, therefore, Moore (2005) clearly stated that the organizations can be “houses” for ethical practices for leaders.

VI. CONCLUSION

This paper has argued several important insights and elements in the organization in order to strengthen moral development of its members. From case studies, it has been shown that employee’s character can be a bulwark of integrity against an environment of practices that involve wrongdoing (see Solomon, 2003) which lead employees to feel they have no option but to be whistle-blowers. Thus, through two case studies of in the USA and in the UK, there is the need for the organization to have the necessity for ethical awareness which is not by organizational moral development but also by individual moral development. It has been discussed that mission, culture and leadership of the organization also play vital roles in building and strengthening employees’ ethical behaviour. Human excellence through self-regulation and moral courage can be a basis for good organizational culture by presenting values, character, and process. Thus, this paper argues that to build virtuous organization, it is important to have a good organizational culture and the flourish of self-regulation for ethical decision-making in the organization.

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