

Paper presented at the Association for Practical and Professional Ethics Annual Conference, Cincinnati, as the keynote address to the “Virtue Ethics in Business” stream, March 2009.
Please do not cite without author’s permission.

Virtue in Business: Alliance Boots and an empirical exploration of MacIntyre’s conceptual framework

Geoff Moore
Durham Business School
Durham University
Mill Hill Lane
Durham
DH1 3LB
UK
Tel: 44 (0)191 334 5549
Fax: 44 (0)191 334 5201
[**geoff.moore@durham.ac.uk**](mailto:geoff.moore@durham.ac.uk)

Abstract

This paper begins by substantiating the relevance of virtue ethics to business before summarising a conceptual framework for virtue ethics that has been developed by drawing upon the work of the moral philosopher Alasdair MacIntyre. Conducting empirical work with this framework is at an embryonic stage, but having discussed methodological issues, this paper reports on the initial findings from a longitudinal case study-based research project into the private equity owned organisation Alliance Boots. It demonstrates the applicability of the conceptual approach, produces a mapping for virtuous organisations based on organisational purpose and success versus excellence, and provides some commentary on the preconditions for organisational virtue. As well as making an assessment of Alliance Boots and its predecessor organisations using the mapping, it concludes with reflections on further methodological considerations that might be relevant to future research in this area.

Introduction – the relevance of virtue ethics to business¹

The re-emergence of virtue ethics as a mainstream branch of moral philosophy (see, for example, Foot 1978, MacIntyre 2007, Swanton 2003) has been quickly followed by attempts to apply virtue ethics to business organizations – DesJardins (1984) and Solomon (1992a, 1992b) being early examples. It is possible to view the re-emergence of virtue ethics as growing out of a general dissatisfaction with what DesJardins (1984) and Horvath (1995) both call the principle-based ethics (PBE) of the Enlightenment.

Horvath, writing from a business ethics perspective, though with a level of generality in his critique, identifies four recurring problems with PBE: it fails to address the issue of ethical motivation (the “why should I be good or do right?” question); by its very nature it involves generality rather than specificity to particular cases; the two main formulations of PBE (formalism derived from Kant and utilitarianism) are mutually incompatible despite their

¹ The early part of this paper is adapted from Moore (2009).

individual claims to irrefutable logic; and finally, while business ethics tends to be predominantly utilitarian, it represents a corrupt form of pure utilitarianism, regressing instead to a Machiavellian calculation in which given ends justify the means (Horvath 1995: 500-1). As such, Horvath argues, since PBE can produce such conflicting answers to the same problem, there is a danger of a drift into ethical relativism where the correctness of any moral judgment is viewed as being “relative to the individual (or group) making that judgment, and therefore one person cannot impose moral demands upon another” (*ibid.*: 511). MacIntyre offers a similar critique in *After Virtue*² – particularly his discussion of the interminable nature of contemporary moral debates, and his characterisation of modernity’s ethic of emotivism in which “all moral judgments are *nothing but* expressions of preference, expressions of attitude or feeling”, such that “[o]thers are always means, never ends” (MacIntyre 2007: 7, 11-12, 24 respectively).

Solomon is characteristically more forthright in his criticism of PBE: the Kantian approach “shifts critical focus from oneself as a full-blooded person occupying a significant role in a productive organization to an abstract role-transcendent morality that necessarily finds itself empty-handed when it comes to most of the matters and many of the motives that we hear so much about in any corporate setting” (Solomon 1992b: 323). And further, “...I just want to point out that utilitarianism shares with Kant that special appeal to anal compulsives in its dotting over principles and rationalization (in crass calculation) and its neglect of individual responsibility and the cultivation of character” (*ibid.*: 324).

Horvath, citing Koehn (1993), goes so far as to suggest that PBE may have a role *within* virtue ethics – that, in relation to business for example, “PBE can help to instruct a virtuous manager decide a given case, but PBE cannot work as it should for the non-virtuous manager. PBE can be a subset of virtue ethics even if PBE cannot stand on its own” (Horvath 1995: 524). If that is the case then virtue ethics would seem to occupy a centrally important place in moral philosophy in general and in organizational and business ethics in particular. But to see further why this might be the case, we need to understand more fully what exactly virtue ethics involves.

Elements of Virtue Ethics

Perhaps the most common way of drawing the distinction between virtue ethics and PBE is to observe that virtue ethics is centred on the actor while PBE is centred on the action itself or its consequences. Certainly, it is true that in virtue ethics, the actor, and in particular the character of the actor, takes a central place. But that is not to say that actions are unimportant, and this for at least two reasons. First, the action has consequences which will usually affect others as well as the actor, and these consequences will assist or otherwise in enabling those involved towards their true *telos*, or purpose, in life. Koehn observes that Aristotle’s system of thought “places tremendous weight upon the act because life itself is an *energeia* or activity of performing various acts” (Koehn 1995: 534). But secondly, the action will have further consequences for the actor, since it will play a part in reinforcing or undermining the actor’s character. “Aristotle ... views every act as inevitably developing a character who performs an act well or poorly [and] will not treat an outcome in isolation from past and future outcomes. An outcome is not just a consequence of an act but a consequence for one or more agents engaged in a series of actions” (*ibid.*: 534). Thus while act utilitarianism will

² *After Virtue* was originally published in 1981. I am quoting from the third edition published in 2007.

often concentrate on the outcomes of one act in isolation, virtue ethics will seek to understand both the precursors and outcomes of the act for the agent in question: “[p]ast actions, by moulding character, become the cause of future actions” (*ibid.*: 536).

A second element of virtue ethics, evident from the above discussion, is that it is teleological in nature. The ultimate purpose for each individual is, in Aristotle’s terms, *eudaimonia* – defined by MacIntyre as something like, “blessedness, happiness, prosperity. It is the state of being well and doing well, of a man’s being well-favoured himself and in relation to the divine”. And this definition leads MacIntyre on to define the virtues as “precisely those qualities the possession of which will enable an individual to achieve *eudaimonia* and the lack of which will frustrate his movement toward that *telos*” (MacIntyre 2007: 148). Associated with this teleological approach is the concept of a narrative quest – that as story-telling animals we make sense of our lives through our individual and communal journeys through which we try to realise our own *telos* (*ibid.*: 216-20).

A third element of virtue ethics follows from these first two. Koehn describes it as a focus “on the conformity between right thinking and desire ... [t]he virtuous agent simply is the person habituated to desire to do what is good and noble” (Koehn 1995: 536). MacIntyre similarly offers an extension of his definition of virtue given above: “Virtues are dispositions not only to act in particular ways but also to feel in particular ways. To act virtuously ... is to act from inclination formed by the cultivation of the virtues” (MacIntyre 2007: 149). And Porter, following Aquinas, describes the person of true virtue as being “characterised by harmonious unanimity among her feelings, judgments and will” such that there is no conflict between the passions and the will (Porter 1994: 114). Thus virtues are enduring character traits (as, of course, are vices) and this focus on character and its development, and the associated possession and exercise of the virtues (or vices), also characterises an ethic of virtue. We should also note that the requirements of virtue are such that, in the ideal, the truly virtuous individual must possess all of the virtues; there must be a harmony or unity about the individual in which the whole of their life is directed towards their *telos*, and this can arise only if all the virtues are possessed and exercised in concert (*ibid.*: 121-3).

It might be inferred from the discussion so far that virtues have everything to do with the person *qua* individual and nothing to do with life in the community. A fourth element of virtue ethics, however, is that the community occupies a central part. It is, for example, axiomatic in Aristotle’s frame of reference (with the city state as the basis of society) that “the virtues find their place not just in the life of the individual, but in the life of the city and that the individual is indeed intelligible only as a *politikon zoon* [a political animal]” (MacIntyre 2007: 150). Solomon likewise emphasises this point: “The concept of the virtues provides the conceptual linkage between the individual and his or her society. A virtue is a pervasive trait of character that allows one to ‘fit into’ a particular society and to excel in it ... The virtues [are], on the one hand, essential aspects of the individual. On the other hand they [are] precisely the ‘excellences’ that a certain society require[s]” (Solomon 1992a: 107 and also 2004: 1026-31). As Morse puts it, extending the argument to the political sphere, “[v]irtue is cultivated in the proper political and social environment, such that excellence in a person comes from a state with well-ordered laws, and other individuals concerned with the development of virtue” (Morse 1999: 52).

Horvath makes the same point: “This traditional ethical paradigm begins with the community as the ethical base rather than individuals existing in isolation. Within a community, people occupy recognised roles, and these roles in turn include ethical obligations. To fulfil such

roles well, people need to develop virtues within themselves” (Horvath 1995: 505). This, then, affirms the essential intertwining of the individual, and his or her own narrative quest, with the community, and its shared sense of *telos*. It is in community that the virtues are developed and (partially) for whose good they are exercised.

The fifth and final element of virtue ethics is that it focuses on excellence. The Greek word *arête* can be translated either as virtue or as excellence and the latter points to the essentially positive nature of virtue ethics. As Solomon puts it: “Virtue is doing one’s best, excelling, and not merely ‘toeing the line’ and ‘keeping one’s nose clean’” (Solomon 1992b: 327). Koehn similarly argues that virtue ethics’ stress on excellence “helps counter the levelling tendency of deontological ethics” (Koehn 1995: 537). We will return to this particular aspect of virtue ethics when we consider MacIntyre’s concept of a practice. For now, however, we can note that the possession and exercise of virtues such as temperance, fortitude, justice and practical wisdom – the four cardinal virtues – are not ends in themselves but are means to the end of excellence in all the practices in which an agent engages. It is through the pursuit of excellence in these practices that the agent’s character is developed, and she is enabled on her journey towards her own *telos* within a community that provides the social context of her life.

MacIntyre’s conceptual framework and its application to organisations

So far, I have offered a justification for focusing on virtue ethics in general, with some application to business ethics along the way. But how do we apply this to organisations? What role do organisations, and particularly business organisations, play in the moral life? In order to answer this question we turn to a more detailed consideration of the work of the moral philosopher Alasdair MacIntyre.

The significance of MacIntyre’s work in general, and its application to contemporary organisations and specifically to the area of business, are already well documented and have received critical review (see Beadle 2002; Beadle & Moore 2006; Moore 2002, 2005a, 2005b, 2008, 2009 and Moore & Beadle 2006, for example). Space here precludes a detailed review of this body of work, but I set out below a summary of the key points that are relevant to this paper.

Practices, institutions, virtues, goods

Perhaps most significantly for our purposes, MacIntyre distinguishes between practice and institutions. Practices are:

“Any coherent and complex form of socially established cooperative human activity through which goods internal to that form of activity are realized in the course of trying to achieve those standards of excellence which are appropriate to, and partially definitive of, that form of activity ...” (MacIntyre 2007: 187)

Practices are widespread, indeed it could be argued that we spend much of our lives in them, since they include things like “arts, sciences, games, politics in the Aristotelian sense, the making and sustaining of family life” (MacIntyre 2007: 188). And the virtues (following MacIntyre’s two definitions already given above) find their particular home within practices and are essential for obtaining the internal goods that derive from practices:

“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 2007: 191)

Internal goods include both the excellence of products and the perfection of the individual in the process (MacIntyre 2007: 189-190 and see also MacIntyre 1994: 284). In the context of business such internal goods might include not only involvement in the generation and delivery of an excellent product or service, but also the enjoyment of the exercise of practical skills, the stimulation that the competitive situation affords, pride in accomplishment³ and the personal dignity that derives from a job well done.

In order for internal goods to be realised it is clear that practices need to flourish, but to do so they require institutions. MacIntyre’s lengthy definition of an institution is as follows:

“Institutions are characteristically and necessarily concerned with ... external goods. They are involved in acquiring money and other material goods; they are structured in terms of power and status, and they distribute money, power and status as rewards. Nor could they do otherwise if they are to sustain not only themselves, but also the practices of which they are the bearers. For no practices can survive for any length of time unsustained by institutions. Indeed so intimate is the relationship of practices to institutions – and consequently of the goods external to the goods internal to the practices in question – that institutions and practices characteristically form a single causal order in which the ideals and the creativity of the practice are always vulnerable to the acquisitiveness of the institution, in which the cooperative care for common goods of the practice is always vulnerable to the competitiveness of the institution. In this context the essential feature of the virtues is clear. Without them, without justice, courage and truthfulness, practices could not resist the corrupting power of institutions.” (MacIntyre 2007: 194)

Internal goods derived from practices are here contrasted with external goods such as survival, reputation, power, profit or, more generally, success. When achieved, MacIntyre argues, these external goods are “always some individual's property and possession. [They are] characteristically objects of competition in which there must be losers as well as winners” (MacIntyre 2007: 190). With internal goods, however, although there is competition in one sense, this is competition to excel and so benefits all members of the community engaged in the practice (MacIntyre 2007: 190-191).

MacIntyre’s description of institutions and their relationship with practices can be applied in almost any context – indeed, we have already noted above the breadth of coverage of practices. The argument here is that we can legitimately extend the practice that MacIntyre refers to generically as “productive crafts” (MacIntyre 1994: 284) to business organisations in general by noting that at the core of any such organisation (and organisations in general) there is a practice. The particular practice may be fishing, or producing beef or milk, or building houses, or it may be providing financial services or mining or retailing. The entirely common feature, however, is that all such activities fall within MacIntyre’s definition of a practice as “any coherent and complex form of socially established cooperative human activity”. But all such practices are institutionalised in corporate forms such as limited

³ While pride was one of the traditional seven deadly sins, “proper pride” can be distinguished from “false pride” – see Lea & Webley (1997). The former is clearly a virtue.

companies, public limited companies, co-operatives or partnerships; the mode of institutionalisation can, of course, differ. Whatever form it takes, however, the essential point is that any business organisation may be re-described as a practice-institution combination.

But this leads us to another important point in MacIntyre’s framework:

“the making and sustaining of forms of human community – *and therefore of institutions* – itself has all the characteristics of a practice, and moreover of a practice which stands in a peculiarly close relationship to the exercise of the virtues ...”
 (MacIntyre 2007: 194, emphasis added).

In other words, there is a second practice in any organisation which is the practice of making and sustaining the institution. And hence senior managers – those who have, in one sense, outgrown the core practice and now represent the institution that houses it – also have the same opportunity to exercise the virtues through engaging with that second practice. This framework may be represented by Figure 1 below which shows a diagrammatic representation of any organisation as a core practice situated within an institutional framework and in which the smaller circle with the “P” inside represents the practice of making and sustaining the institution.

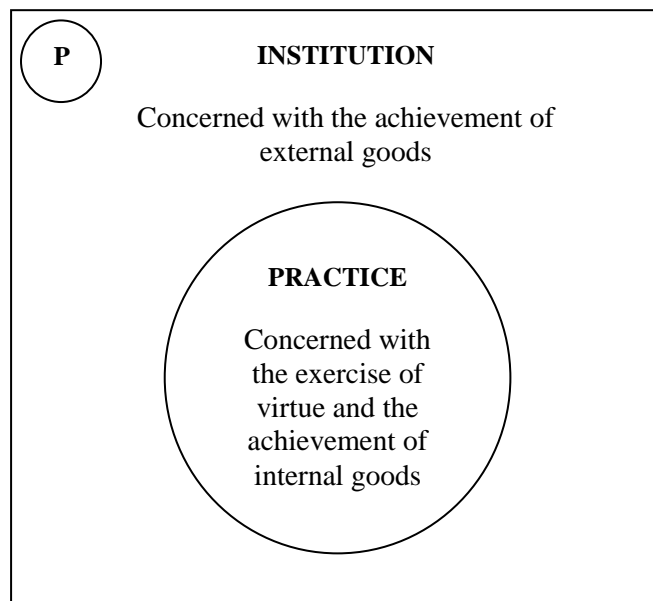


Figure 1. An organisation represented as a practice-institution combination together with the secondary practice of the making and sustaining of the institution

Moore (2008) considers the issue of the morality of management within this conceptual framework (while also providing a response to MacIntyre’s critique of the Manager (his capitalisation) in the early chapters of *After Virtue*). The essence of this may be depicted as shown in Figure 2 below. The point is that, within MacIntyre’s framework, all those who are engaged in any level of management have two practices with which they must concern themselves. First-line supervisors, as the most junior level of management, are, of course, mostly involved in the core practice and have only a small involvement in the institutional practice. But they do have some involvement – by definition they are also engaged in the

practice of making and sustaining the institution even if only to a limited extent. And correspondingly, senior management at the other end of the spectrum, while mainly involved in the institutional practice, should never forget that they also have an involvement in the practice at the core. An essential element of management at any level, then, is to understand and maintain an involvement with the core practice – to appreciate and indeed gain, at least to some extent, its internal goods.⁴ But in addition, within the practice of making and sustaining the institution, managers should equally be concerned with the exercise of the virtues, with the pursuit of excellence and, in the same way, should thereby receive the internal goods available enabling them in their narrative quest in pursuit of their own *telos*.

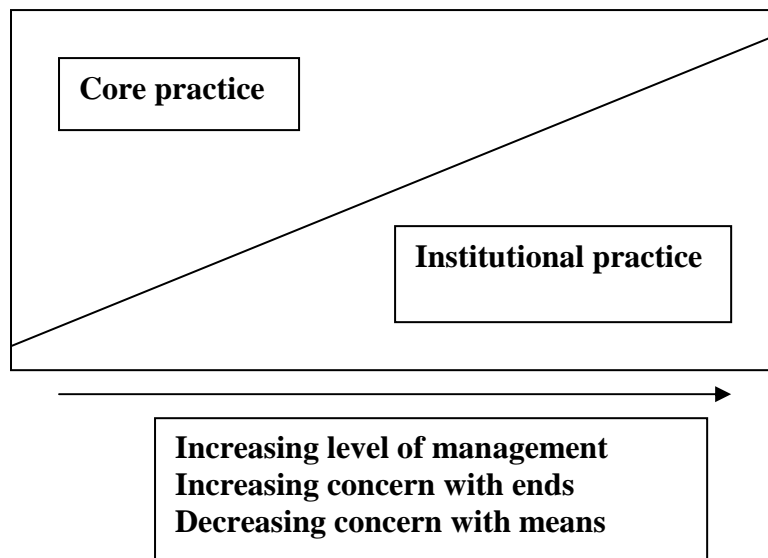


Figure 2. The relationship of different levels of management with the core practice

The virtuous business organisation

Following this, we can identify various features of a virtuous business organisation and, associated with this, the responsibilities particularly of senior management for ensuring that these features exist and are nurtured. The first requirement of a virtuous business organisation would be that there is a *good purpose* for the particular practice-institution combination that it comprises. Second, the institution would be aware that it is founded on and has as its most important function *the sustenance of the particular business practice that it houses* and following from this the organisation would *encourage the pursuit of excellence in that practice* whatever that may mean for the particular practice in question. Third, it would focus on *external goods* (such as survival, profit, reputation and success) as both a necessary and worthwhile function of the organisation, but *only to the extent necessary to the sustenance and development of the practice*.

For our purposes here, more needs to be said about two of these requirements. In relation to *purpose* MacIntyre is clear, as we noted above, that the virtues enable the achievement of a

⁴ In my early industrial career I had as my line manager a Director of Operations who had transferred from one part of the group involved in textiles to our part involved in paint manufacture. It emerged at some point that prior to his transfer he had spent a day at a paint company personally making a batch of paint. He, I think, understood something of the need to have a ‘feel’ for the core practice.

person's *telos* of *eudaimonia* (2007: 148) at the individual level. There is, therefore, some notion of internal goods from individual practices being amalgamated to some notion of *the* good for the individual. But this *telos* always needs to be re-evaluated (2007: 218-9) because it is only partially known – and hence what MacIntyre calls a *narrative quest* (a storied exploration) is involved (MacIntyre says that “the good life for man [*sic*] is the life spent in seeking for the good life for man, and the virtues necessary for the seeking are those which will enable us to understand what more and what else the good life for man is” (MacIntyre 2007: 219)). And this narrative quest is necessarily communal, a point made well by McCann & Brownsberger:

“... the normative character of MacIntyre's definition of a social practice ... is secured within a larger account of the moral life as a whole. There must be some *telos* to human life, a vision anticipating the moral unity of life, given in the form of a narrative history that has meaning within a particular community's traditions; otherwise the various internal goods generated by the range of social practices will remain disordered and potentially subversive of one another. Without a community's shared sense of *telos*, there will be no way of signifying 'the overriding good' by which various internal goods may be ranked and evaluated.” (McCann & Brownsberger, 1990: 227-28)

Translating this to the organisational level, we are left with an empirical question in judging the goodness of purpose of a particular organisation. And the goodness of purpose is the extent to which the internal goods of the practice at the core of the organisation contribute to the overriding good of the community *and* the extent to which there is a continuing debate within the organisation as to what the community's good is and how their internal goods contribute to it.

The second requirement that we need to explore further here is the inter-relationship between internal and external goods. MacIntyre makes the point that we can rank goods in a hierarchical order. There are some goods that are valued only for their own sake – these are what we have referred to above as internal goods. Then there are those which are valued only for the sake of some further good – these are external goods. But MacIntyre notes that there are also goods which are valued both for their own sake and for the sake of some further good (see MacIntyre 1988: 34). Hence, it appears that we may have a further category of goods, which we might term intermediary goods (Crockett & Anderson 2008). However, what is clear from MacIntyre's writings in general is that it is internal goods (goods that are valued for their own sake) that should be prioritised. And goods such as external goods should be valued only in so far as they enable the achievement of internal goods (see MacIntyre 1988: 35 where this is explored further). But this does not mean that they are *not* goods: “I need to emphasize at this point that external goods genuinely are goods. Not only are they characteristic objects of human desire, whose allocation is what gives point to the virtues of justice and of generosity, but no one can despise them altogether without a certain hypocrisy.” (MacIntyre 2007: 196).

This also leaves us with an empirical question which is the extent to which an organisation prioritises the practice over the institution or, in other words, prioritises internal over external goods. But we should note that the virtuous organisation is *not* one which prioritises internal goods to the exclusion of external goods, but one that maintains an appropriate balance, with the emphasis just on the side of internal goods. Such balance, if achieved, would then enable

its employees and others (both organisations and individuals) with which it engages to exercise the virtues in pursuit of their own internal goods and their own *telos*.

Preconditions for virtuous organisations

In previous work (Moore & Beadle 2006), we have identified three preconditions for such virtuous organisations. Space again precludes a detailed consideration of these here, but in summary they are as follows.

The first precondition for a virtuous business organisation is the presence of virtuous agents at the level of both the practice and the institution, for without agents who possess and exercise the virtues the practice itself would no longer be fostered internally through the pursuit of excellence, and at the institutional level the corruption of the institution and the consequent distortion of the practice would seem to be inevitable. This is particularly the case for those agents who hold decision-making authority in the institution. But the presence of such agents at both practice and institutional (managerial) level is clearly insufficient to guarantee the presence of organisational virtue.

The second precondition for a virtuous business organisation is the mode of institutionalisation which distributes both decision-making authority and decision criteria within institutions. MacIntyre, in drawing attention to the central dilemma of his framework (the tension between practices and institutions), notes that, “practices are often distorted by their modes of institutionalisation, when irrelevant considerations relating to money, power and status are allowed to invade the practice” (MacIntyre 1994: 289). In other words, we would expect that different institutional forms will support to different extents (and possibly even exclude)⁵ the practices which they house, and thereby enable the exercise of the virtues and the attainment of internal goods to a greater or lesser degree.

The third precondition for a virtuous business organisation is the extent to which the environment in which the organisation is set is more or less conducive to such activity. We would expect that an unconducive environment, one that encourages a single-minded pursuit of external goods for example, would be problematic for organisational virtue.

The empirical questions that arise from this discussion of the three preconditions for organisational virtue are the extent to which one or another precondition predominates, whether strength in one can offset weakness in another, and the extent to which they are mutually reinforcing.

This then completes the conceptual framework in so far as we require it for our purposes here. We now turn to considerations of methodology and a description of the case study organisation Alliance Boots.

Methodological considerations

We have argued elsewhere that MacIntyre can be understood as a critical realist (Beadle & Moore 2006), and it is clear that MacIntyre himself sees the value of empirical work in order

⁵ It has been argued, however, that even within capitalist business organisations there must remain the vestiges of the practice, or the institution would have, in effect, killed itself from the inside – see Moore (2005b: 679)

to confirm or refute his philosophy (MacIntyre 2008: 6). Coe & Beadle (2008) have done useful work in identifying a broad range of methodologies that would be appropriate for 'doing empirics' with MacIntyre's conceptual framework. Thus, while positivist conceptions of observability and verifiability are ruled out, both primary and secondary work are allowable, along with participant and non-participant observation. And even the presumption against positivist hypothesis testing does not preclude quantitative work as such.

There have, however, been only a limited number of studies to date which employ an overtly MacIntyrean framework. Those that do have conducted studies in the oil industry (Crockett 2005), in the circus (Beadle & Könyöt 2006), and of organisations such as Traidcraft (the leading Fair Trade organisation in the UK – Moore & Beadle 2006) and The Sage Gateshead (a large multi-function music facility in the north east of England – Coe & Beadle 2008). Case study research is, to a certain degree, already evident in these studies and clearly, given what has been said above about methodological considerations, case studies provide an appropriate method for exploring virtue in business organisations.

For the purposes of this particular piece of research, given the paucity of previous studies, an exploratory approach was taken (Yin 1994: 3-4). The fundamental research question was whether and how MacIntyre's conceptual framework could be studied empirically and, if so, whether it tended to confirm, refute or suggest modifications to the framework.

The organisation that forms the basis of the case study is Alliance Boots. Alliance Boots is a large multi-national health and beauty group.⁶ The opportunity to study this organisation arose serendipitously through a personal contact of the author who knew the Group Head of Corporate Social Responsibility (CSR) at Alliance Boots. This key contact was willing to give access to the organisation, both to the considerable archive that Boots (one of the two constituent organisations – see further below) maintains and to individuals both within and outside of the organisation, who were then contacted and their willingness to participate in interviews ascertained directly. There was a quite natural expectation from the interviewees that the purpose of the study was to do with CSR (although the approach to interviewees indicated that the scope was broader than this), and indeed questions concerning CSR were included as part of the interviews. However, for the purposes of this paper only those elements related to virtue ethics are reported on.

Aside from the opportunity to study this organisation, why did Alliance Boots form a suitable object of study? In discussing the selection of cases, Eisenhardt & Graebner (2007: 27) note that cases can be sampled "for theoretical reasons, such as revelation of an unusual phenomenon ... and elaboration of the emergent theory". In Alliance Boots' case there was an unusual phenomenon in that two organisations – Alliance UniChem plc, a leading European healthcare group, and Boots plc, a largely UK-based manufacturer and retailer of health and beauty products – had merged in July 2006, and had then been taken out of public ownership and into the private ownership of Kohlberg, Kravis & Roberts (KKR), a global asset manager working in private equity and fixed income, in June 2007. Two such significant organisational changes, in such a short period of time, suggested that there might be interesting "mode of institutionalisation" features to study here. The merging of two organisations with such different histories and organisational cultures, coupled with the well-known financial orientation of the private equity industry, suggested that various aspects of MacIntyre's conceptual framework might be open to exploration.

⁶ See www.allianceboots.com.

Private equity has been the subject of much attention recently (see Nielsen 2008, for example). The standard view of a strong financial orientation (in MacIntyre's terminology, a single-minded focus on external goods), is borne out by such studies, but there is also evidence that private equity does not necessarily engage in the "asset stripping" or "slash and burn" approaches of which it is sometimes accused. While "hard HRM" approaches are evident (Thornton 2007) there is also evidence of positive effects on HR practices with increases in training and employee involvement (Bruining *et al.* 2005). There is also evidence that some private equity firms increase employment although counter-evidence that they also reduce employment and wage levels in some cases (Thornton 2007). There appears to be a difference here between MBOs (management buy-outs) where private equity is used to support an incumbent management team, where employment tends to increase, and MBIs (management buy-ins) where a new management is imposed from outside, where employment tends to decrease (*ibid.*). Overall, there appear to be two different approaches taken by private equity investors, and these vary on a case-by-case basis. One approach is cost reduction, with the Automobile Association (AA) in the UK being a celebrated example where more than 3,000 jobs – nearly 30% of the workforce – were axed. The alternative approach is one of investment (Bruining *et al.* 2005). Alliance Boots was an example of an MBO and, it transpired, the new private equity owners were to take an investment approach.

Nonetheless, Alliance Boots is only a single case and there are, of course, criticisms that have been levelled at single case studies. While, in one sense, it could be argued that this was a study of four organisations over a period of three years or so (Alliance Unichem plc, Boots plc, the merged Alliance Boots plc and finally the private equity-owned firm Alliance Boots), the charge of a single case study, even one with a longitudinal element, still requires some answer. Eisenhardt & Graebner (2007: 27)), drawing on Yin (1994) again provide a response: "Theoretical sampling of single cases is straightforward. They are chosen because they are unusually revelatory, extreme exemplars, or opportunities for unusual research access ... single-case research typically exploits opportunities to explore significant phenomenon under rare or extreme circumstances". Siggelkow (2007: 20) also argues for the persuasive power of the single case – "... it is often desirable to choose a particular organization precisely because it is very special in the sense of allowing one to gain certain insights that other organizations would not be able to provide". While, as acknowledged above, Alliance Boots was not "chosen" in the sense that Siggelkow means, it did seem, *prima facie*, to provide an opportunity to gain certain insights that would be difficult to gain elsewhere. Thus, although "theory building from multiple cases typically yields more robust, generalizable, and testable theory than single-case research" (*ibid.*: 27), it is clearly defensible at this stage in developing MacIntyre's framework to use such a single case approach.

A further methodological criticism that might be levelled against this whole approach is that case study research, and the theory-building that emerges from it, is inductive in nature. Here, however, we already have what appears to be a reasonably robust theoretical framework, and hence deductive research in order to test this theory might seem more appropriate. In response to this Eisenhardt (1989: 536) notes not only that an initial definition of the research question is important, but that "a priori specification of constructs can also help to shape the initial design of theory-building research". In addition, Siggelkow argues that cases can be used as illustrative of conceptual constructs and show the plausibility of a causal model (2007: 21-22). The argument for studying Alliance Boots is that, in effect, MacIntyre's framework is at an early stage of development in relation to organisations, with limited empirical testing already carried out, and so case study research is important in exploring and

illustrating the concepts more fully in an attempt, as noted above, to begin to confirm, refute or modify them. In addition, various empirical questions were noted in the discussion of the conceptual framework (how to evaluate goodness of purpose, whether organisations prioritise internal or external goods and questions in relation to the preconditions for organisational virtue) and it is clearly important to begin to provide some data in response to these.

Research methods

While, as noted above, access was granted to the Boots' archive and various Alliance Unichem documents (such as annual reports prior to the merger) were also obtained, the main focus of this paper is on the interviews. Altogether, 21 interviews were conducted⁷ of which six were of former Alliance Unichem employees, 12 of former Boots employees and three were 'outsiders'. These three "critical friends" (as they were described by the key contact) each worked for different non-governmental organisation and had each worked with the merged organisation (and in some cases with Boots prior to the merger) in a consulting capacity. Hence, they knew the organisation reasonably well and were able to answer the questions posed from an informed perspective. The use of outside observers is, of course, a recognised technique in case study research (Eisenhardt & Graebner 2007: 28). The internal interviewees were from various hierarchical levels (a former non-executive director through to store managers with many middle managers in between) and were from different functions and locations within the firm. Although, with the exception of the store managers, there was a CSR connection, only three of the interviewees had CSR as the main part of their job descriptions; the remainder had some involvement with CSR but their main role was different – Human Resources, Accountancy, Marketing and Engineering being examples.

How to address MacIntyre's conceptual framework within an interview context is, of course, not straightforward. The terminology of virtues, practices, institutions, internal and external goods, in their technical sense, would either mean little or would require extensive explanation to typical interviewees. However, Crockett (2008), who has himself conducted empirical work using MacIntyre's framework, has argued that MacIntyre's terms need not transliteration but translation. One of the questions that needed little translation, however, was simply about organisational purpose. A good purpose was described above as one of the key features of a virtuous business organisation. Linking this to the organisational changes that had occurred and the preconditions of organisational virtue (though without suggesting these), the question was posed in the following way: "How would you describe the mission and purpose of the organisation? Have these changed through the two major changes that have taken place? If not, why not – what has caused them to remain constant? If there have been changes what has caused these?"⁸

In order to tease out the issues relating to practice and institution, internal and external goods, an exercise from Crockett's earlier work (2005) was employed – see Figure 3 below. The

⁷ One was a joint interview when, unexpectedly, one of the interviewees had invited a colleague. While this provided a challenging context, I decided to 'go with the flow' and, in so far as was possible, asked the same questions of both. Inevitably, however, there was some general agreement between them and their answers may have been influenced by the other. However, these are treated as separate interviews. All but two interviews were conducted face-to-face, the others being conducted by telephone.

⁸ The reason for asking about mission as well as purpose was that Alliance Boots has clear statements on each and it was felt better to address these together and then separate out the responses to the 'purpose' question. The mission is: "To become the world's leading pharmacy-led health and beauty group"; while the purpose is described as: "Delivering products that help people look and feel their best".

exercise uses terminology familiar in business but which also broadly relates to MacIntyre's notions of internal (excellence) and external (success) goods. The exercise works by first (#1) asking the interviewee to give some words or phrases that describe what it would mean for the organisation to be excellent. The terms were jotted down on a piece of paper. Secondly (#2), interviewees were asked how their organisation measures success. A list was similarly jotted down. A see-saw balance was then drawn and interviewees asked to score the present balance in the organisation on a 1-10 scale (#3). This forced interviewees to make a choice between success and excellence (e.g. 6-4 or 3-7). It could be argued (and at least one interviewee noted this) that this is a zero-sum game, and an alternative would be to allow scoring of, say, up to 10 on each dimension (e.g. 8-9 or 3-10). There were two reasons for the scoring system that was employed. First, Crockett had used it successfully in his work and second (and more important), the theoretical framework described above speaks of achieving a balance between internal and external goods, and the prioritisation of internal over external goods. The danger of a free choice was that 10-10 might well have been a frequent outcome. Having to choose between success and excellence (although allowing for a tied 5-5 result) forced the issue.

An addition was made to the Crockett exercise at this point, because interviewees were asked their perception of the scores that they would have allocated to Boots and to Alliance Unichem in both cases prior to the merger even being known, and then to the merged organisation. While all of the scores that interviewees gave were, inevitably, perceptions, a request that was made at the design stage was that interviewees had worked for the organisation long enough to have 'lived through' the merger and acquisition. In the main this condition was satisfied⁹ so that the scores given were, at least, based on informed perception.

Finally, as per the Crockett exercise (#4), interviewees were asked what they thought the scoring for an ideal organisation (any business organisation) would be. Having completed this quantitative exercise, interviewees were asked what they thought about correlation and causation (#5) – "What is the relationship between these two? Does excellence lead to success, or success to excellence or are they unrelated?".

⁹ Of the six Alliance Unichem interviewees, five had 'lived through' the period in question and the sixth had worked for the firm for five years but had had a year out during that period. Of the 12 Boots interviewees, 10 had 'lived through' the period, one had joined at the time of the merger and the other had left at the time of the private equity acquisition. Of the three outsiders, two had 'lived through' the period in question but one of these had had only an indirect relationship with the firm. The other had joined their organisation almost two years' previously so was working with organisational memory to some extent in answering the questions.

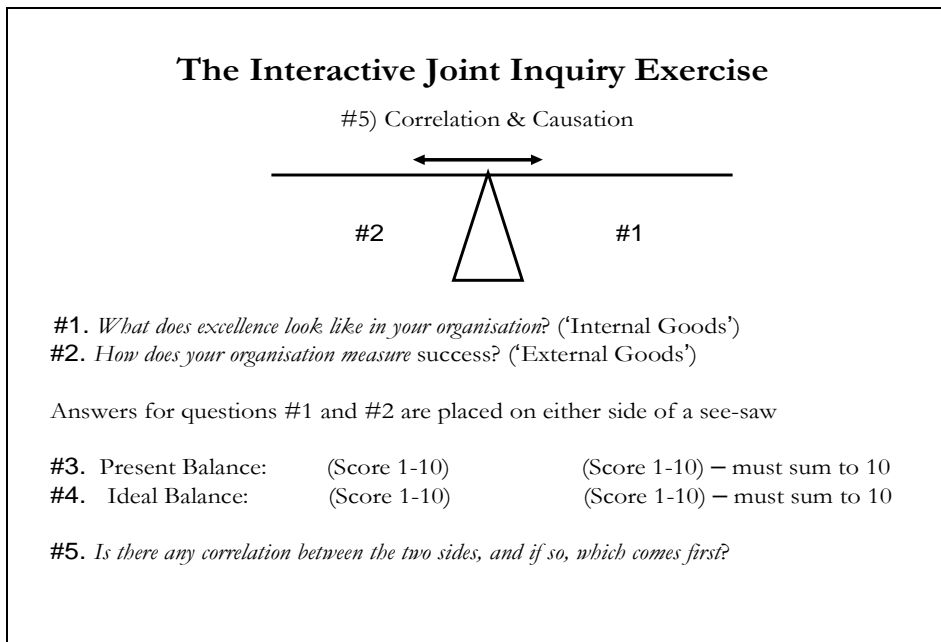


Figure 3. The success-excellence exercise (Crockett 2005)

The model behind these questions is that the two concepts of organisational purpose and success-excellence are mutually exclusive (it is possible, as an extreme example, that a concentration camp could pursue excellence in its operations, or that a charitable organisation with a fundamentally good purpose could pursue financial success and managerial utility over excellence in its work). Thus the model might be illustrated as shown in Figure 4 below. And, as noted above, the virtuous organisation does not occupy the top right corner of the map but is just on the excellence side of the success-excellence scale, though obviously with a good purpose.

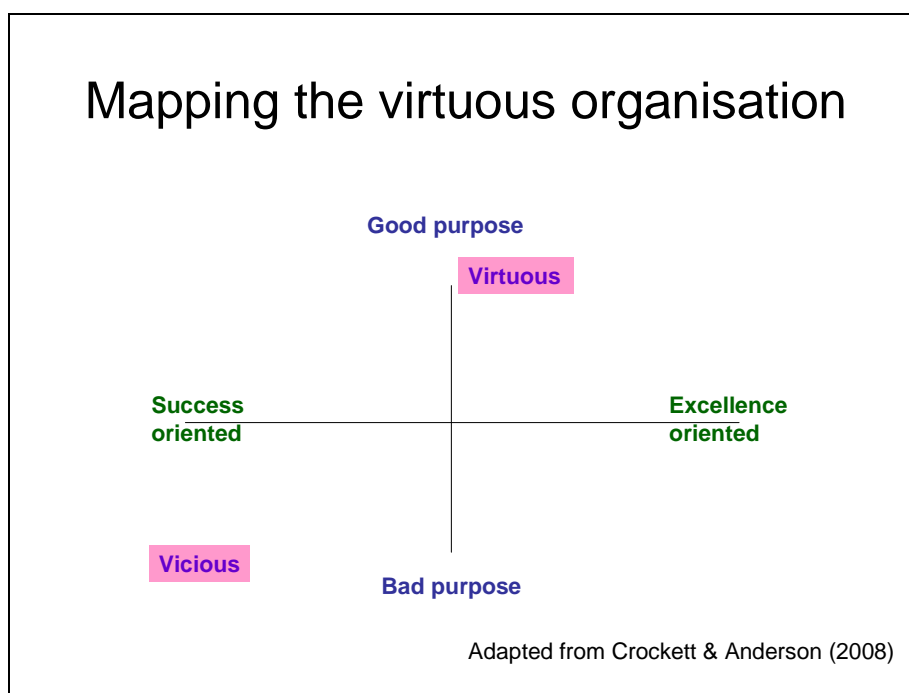


Figure 4. The purpose / success-excellence graphical depiction

All interviews were recorded and transcribed and the transcriptions offered to interviewees if they so wished (five did so). The transcriptions were then fed into NVivo and analysed. The results that are recorded below are based on this analysis rather than, in the case of the success-excellence exercise for example, the words that were jotted down on the piece of paper used during the exercise itself. Other questions related mainly to organisational character (see Moore 2005b) were also asked, but for the purpose of this paper I confine the discussion to organisational purpose and the success-excellence exercise.

Results and discussion

Organisational purpose

The first issue here is whether interviewees understood the concept and were able to distinguish between purpose and mission (and values and vision which also emerged as related terms in the discussions). Perhaps because of the existence of a statement of organisational purpose (and mention of this in the introduction to the question), 79%¹⁰ of interviewees demonstrated that they understood the concept. However, 37% misunderstood it, said they were muddled, thought there was no difference between mission and purpose, or had not heard of organisational purpose. There is clearly an overlap between these groups with three interviewees in both groups, mostly because they acknowledged being confused at the outset but then gave a clear enough answer to indicate that they understood the concept.

Did the interviewees relate the organisational purpose to the overriding good of the community? The answer is 'yes' in 88%¹¹ of cases. Typical responses were:

“Our purpose is to be customer-led, to provide a service to the customer is to basically improve their health, their well-being.”

“The purpose of this store, as I see it, is to enrich people’s lives through improving their health and improving the way they feel about themselves, the beauty side of it.”

“In terms of the purpose of the organisation, it’s very much healthcare led.”

However, 25% were more critical of the organisational purpose. One of the outsiders argued that Alliance Boots was insufficiently aware of sustainability issues in its purpose. Two of the insiders argued that organisational purpose was, in reality, about money:

“I guess in the old world of Boots a number of people would have said, there is a sort of higher purpose here, healthcare to the nation and almost this very much value-driven reason for being, but in reality, it’s always about the money, it’s always about performance and it’s about how you achieve that and if you can meet those ideals along the way, then great ... We have to ensure that everything that we do is financially sound and we have to justify what we do and getting the return, so it feels very much more focused now about the cash value as opposed to the more ethereal values of the company, healthcare to the nation.”

¹⁰ Two interviewees did not answer this question so percentages are based on n = 19.

¹¹ Only 16 interviewees responded to this question and two responses fell into both categories.

“It’s probably about creating the best shopping experience or satisfying customers so that they spend more money in our stores. I mean that’s probably it. Yea, fundamentally I think that’s probably it.”

One interviewee felt that the organisational purpose was not profound enough:

“... there isn’t enough indication and there isn’t enough content in there or it doesn’t feel like it, that reflects the healthcare side of the business ... It’s not distinctive or profound enough for me.”

Was there any evidence of concern or debate over the community’s good and how the internal good of the organisation contribute to it? Perhaps not surprisingly, the answer here was generally no. Two interviewees (both outsiders) questioned the organisation’s understanding and commitment to sustainability issues as part of their purpose, but for the insiders there seemed to be an easy assumption that health and beauty are goods that communities do or should value. Hence there was no apparent need from insiders to question that Alliance Boots’ products and service do contribute to the community's good.

The final question in this area was to do with evidence of any change to organisational purpose over the past three years during the significant changes that the organisation(s) had been through. 58% indicated that there had been a change while 42% saw no change to organisational purpose.¹² 33% indicated that generally the change was a move back towards emphasising the health side of the organisation. Boots, despite its history as providing “healthcare to the nation” was seen primarily as a health and beauty retailer, with a more recent emphasis on the beauty side of things, whereas Alliance Unichem was seen as primarily a pharmacist, and pharmacies were seen as places of service and advice as well as simply the provision of products. The phrase “pharmacy-led” recurred (though note the confusion between purpose and mission in the following quotation):

“I think the biggest change is the absolute focus on healthcare and on the pharmacy-led part of our mission.”

Some (25%), however, saw the change to organisational purpose being more of a combination of the health and beauty sides:

“Boots has grown strongly down the road of beauty whereas the legacy company of Alliance Unichem has always had a strong emphasis on health and now both have come together, so we are now health and beauty. But for Boots it’s to put health back in business and I think for former Alliance Unichem it’s to discover the opportunities on beauty.”

There were two reasons cited for the change. One was to do with an external environmental change in which the role of pharmacists was being enhanced by the U.K. government. The other was to do with internal direction as a result of the merger:

¹² Only 12 interviewees expressed a view on this question.

“I think without a doubt it’s come from on high, the background of Stefano Pessina¹³ and his new Board very much within the healthcare arena.”

What becomes clear from the interviews, then, is that there is some confusion between (or at least synonymous use of) terms like mission, purpose, vision, values, but the majority do understand the concept of purpose and most then relate it to the good of the community. A minority, however, do not see the purpose as being related to the overriding good of the community but to financial success. There is no evidence of a critical approach to the community’s good and to the way in which the internal goods of the practice contribute to it. There is a division about whether the purpose has changed over the last three years with a majority saying it had changed and, to some extent, in the direction of being pharmacy-led (i.e. more emphasis on healthcare), while a significant minority thought the purpose had not changed. There is also evidence that Alliance Unichem was seen as having a better purpose because of its emphasis on pharmacy and healthcare activities, whereas Boots was more retail and beauty-led.

A qualitative evaluation, then, suggests that Boots’ purpose was not as good as Alliance Unichem, that the merger and private equity takeover did not made a significant change but that, if anything, the healthcare side is being emphasised again and, while this is due to both internal and external drivers, there is significance in the fact that Alliance Unichem in effect won out in the merger and its senior team, all from a healthcare background, is now in charge.

Success-excellence exercise

The first stage of the success-excellence exercise involved interviewees giving words or phrases that describe what it would mean for Alliance Boots to be excellent and similarly describing how the organisation measures success. Working from the transcripts, the terms that interviewees gave were grouped into categories and are shown in Table 1.

Success	%	Excellence	%
Financial	43.4	Customers	22.6
Customers	13.1	Product	12.2
People	10.1	Trusted	12.2
Trusted	6.1	People / culture	10.4
Growth	4.0	Financial	5.2
Brand	4.0	Environment	5.2
Socially responsible	4.0	Visionary	5.2
Environment	2.0	Innovative	3.5
Suppliers	2.0	Suppliers	3.5
		Socially responsible	1.7
		Stakeholders	1.7
Other	11.1	Other	16.5

Table 1. Success and excellence terms grouped by category

¹³ Stefano Pessina is the Executive Chairman of Alliance Boots and has a significant personal financial stake in Alliance Boots.

There appears to be considerable overlap between the terms used by interviewees in response to the questions about success and excellence. Ignoring the “other” categories (both of which had a wide variety of terms too miscellaneous to categorise), only two of the success terms were not included in the excellence terms (growth and brand) and only four of the excellence terms were not included in the success terms (product, stakeholders, innovative and visionary). The same seven terms were used in both (customers, people, financial, trusted, suppliers, environment, socially responsible). Does this mean the success-excellence concepts are not distinct?

Crockett (2005) found the same thing, although only three terms overlapped in his study (staff morale, customer satisfaction and industry reputation). At first these were regarded as a methodological nuisance (Crockett & Anderson 2008) but it was later realised that they provided unexpected insight. We have already noted the potential theoretical understanding of these intermediary goods given by MacIntyre. Hence, what we have in the outcome of the success-excellence exercise is that some goods are both “for their own sake” (e.g. the internal good of customer satisfaction) and “for the sake of some further goods” (e.g. the external good of financial success that derives from such customer satisfaction).

If this explanation is correct, then we would expect the weight given to such joint goods to reflect the extent to which allegiance lay to their internal or external aspects. And this is just what we do find in most cases, with the percentage scores for excellence outweighing those for success in the case of customers, trusted (which we might interpret as trustworthy in the case of excellence and as an evaluation of performance in the case of success), suppliers and environment. People is too close to call and socially responsible is the opposite of what one might expect (suggesting a strategic CSR approach in which CSR is used to support strategic aims), although the percentages here are small. Financial, as one would expect, is heavily weighted towards success. Thus, this study also finds a distinction between internal, intermediary and external goods in confirmation both of MacIntyre’s theory and Crockett’s (2005) previous empirical work.

One further point is worth making in relation to the categorisation of the excellence responses. MacIntyre, as noted above, refers to the internal goods of the practice being to do with the excellence of the product and the perfection of the individual in the creation of the product. Product and people do appear in the excellence list but not to the extent one might expect and with many other factors besides these two. The fact that references to customers were roughly double those to products or people may reflect the business orientation of the organisation, but may also reflect a point already made in relation to MacIntyre’s work by Keat (2000). Keat’s point is that those who are the beneficiaries of the outputs of the practice – in our case the consumers who purchase the goods – may well be excellent judges of such output, and that they do, in some sense at least, determine the standards of excellence in the practice (Keat 2000: 128-9). Interviewees implicitly acknowledged this.

The question of the organisation’s fundamental allegiance to either internal or external goods is established from the overall scoring of the success-excellence exercise. This is shown graphically below using the success scores – excellence is simply (10 – success) and hence anything less than 5 in the scale below indicates an emphasis on excellence over success.

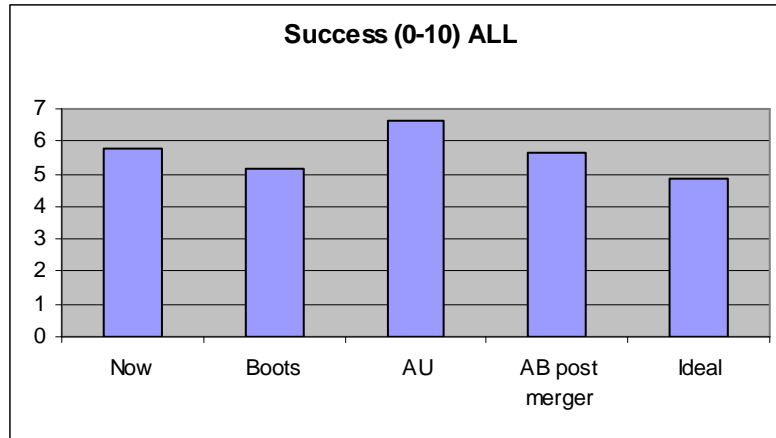


Figure 5. Success scores for all interviewees¹⁴

Figure 5 shows the overall success scores for all interviewees. It is of note that the ideal score is just weighted towards excellence (success = 4.85). Against this as a norm, Boots was seen as close to this prior to the merger (5.17) while Alliance Unichem was seen as far from the norm (6.61), this difference being statistically significant ($p < .01$). The merger seems to have had a moderating effect, the post-merger firm having a success score of 5.66, although this is still statistically significantly different from the ideal ($p < .01$). The private equity takeover does not make much difference (5.75) but has moved Alliance Boots very slightly further from the ideal, the difference still being statistically significant ($p < .01$). In sharing these results with the key contact, one possible explanation for the difference between Boots and Alliance Unichem was offered. Boots, as a retailer, would have significantly higher profit margins while Alliance Unichem, as primarily a wholesaler, would have much tighter margins. Hence, with such tight margins, the financial emphasis would be stronger at Alliance Unichem. This is borne out by a simple analysis of the last set of comparable accounts (2005) of both organisations prior to the merger – Alliance Unichem had an operating profit of 2.85% of turnover whereas for Boots the same figure was 9.17%.

It might be expected that the outsiders would score the firms ‘harder’ (i.e. more success-oriented) than the insiders. While the outsiders do have a slightly ‘higher’ view of the ideal (4.67 versus 4.88), Figure 6 shows that the outsiders have a slightly rosier view of Boots and a slightly ‘harder’ view of Alliance Unichem prior to the merger as well as of the merged firm and Alliance Boots as it is now. The insiders, however, maintained the statistically significant differences ($p < 0.1$ in all cases) from their ideal to Alliance Unichem prior to the merger, the merged firm and the current situation. Hence there was no significant bias from the outsiders.

¹⁴ Now = current score for the private equity entity Alliance Boots; Boots = Boots prior to the merger; AU = Alliance Unichem prior to the merger; AB post merger = Alliance Boots after the merger.

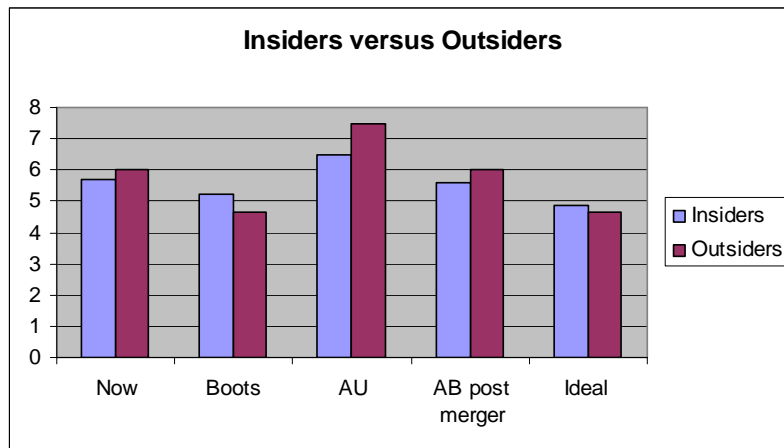


Figure 6. Success scores showing insiders versus outsiders

The interesting insight that emerges from this analysis is that the interviewees had a collective view that the ideal was close to 5-5, and acknowledged that Alliance Unichem prior to the merger, the merged Alliance Boots and the current firm were all significantly different from this ideal. The exercise seemed to enable an un-earthing of an acknowledged over-emphasis on success which it might have been difficult to obtain through more direct questioning.

There were also some interesting internal differences in the responses between Boots and Alliance Unichem interviewees. Figure 7 shows the success scores for Boots from both Boots and Alliance Unichem interviewees (left hand graph). This shows that Boots interviewees thought the ideal was 5.0 and that Boots was just on the excellence side of that score (4.96). Alliance Unichem interviewees thought the ideal was marginally on the excellence side (4.67) and that Boots was much more on the success side (5.83). The right hand graph shows the equivalent scores for Alliance Unichem. The ideal scores are the same as the left hand graph, but here the Boots interviewees thought that Alliance Unichem was much more heavily weighted to success (6.9), while the Alliance Unichem interviewees thought that their firm was much closer to their ideal (5.83). There is evidence in the literature that employees tend to take a rosier view of their own organisation and are 'harder' on other organisations and industries (see Hine 2007) and this seems to be borne out here.

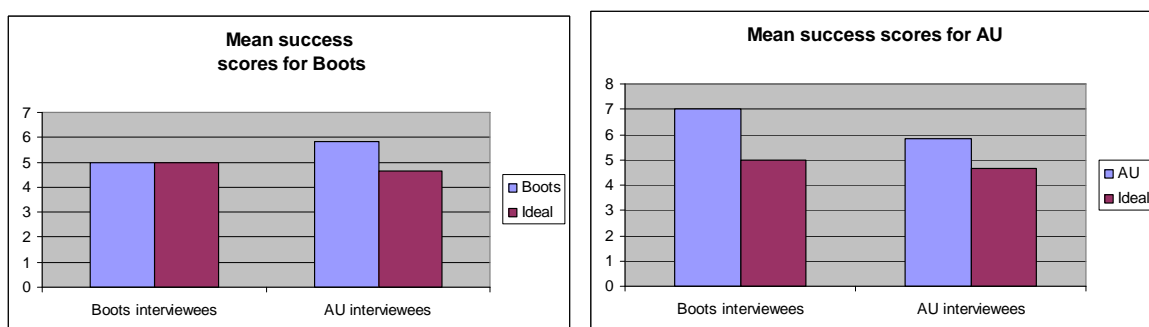


Figure 7. Success scores for Boots and Alliance Unichem

Finally, it is worth noting that a minority of the interviewees were of 'European' rather than U.K. nationality. Figure 8 shows the success scores for these two groups. It is interesting to

note that the Europeans are consistently more excellence-oriented in their responses, although only one of these differences (the ideal) was statistically significant ($p < .01$). This may offer some limited empirical evidence of the different form of capitalism that exists in continental Europe with, in MacIntyre's terms, a greater emphasis on excellence compared with the Anglo-American emphasis on success – see Keat (2008) who explores this specifically in relation to MacIntyre's work.

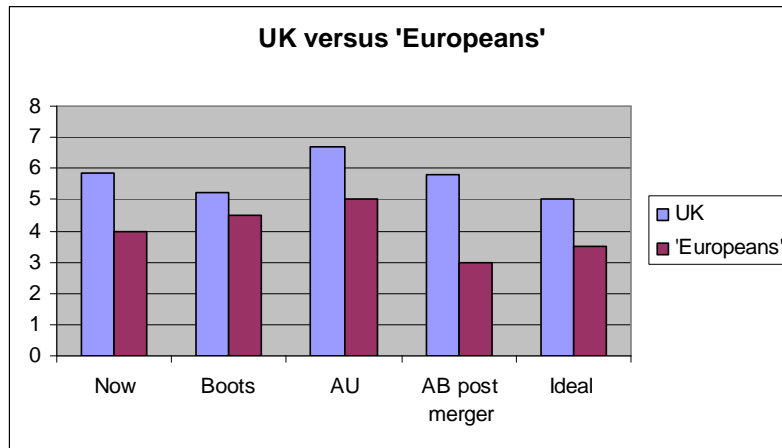


Figure 8. Comparison of success scores for UK versus 'European' interviewees

In relation to the causal direction between excellence and success, 18 out of 21 interviewees (86%) thought that the relationship was in the direction from excellence to success:

“Yes, because if you search for excellence, success will follow.”

“... you've got to have the excellence otherwise you won't get the success.”

“... if you don't have success it could mean that you are not excellent.”

Nine interviewees (43%) qualified this explicitly arguing that it was not directly causal, so that excellence does not guarantee success, usually because there were other (commercial) aspects that had to be right for excellence to be translated into success:

“Yes, I think, not necessarily that it [success] will follow [excellence] because you have to do a lot of other things as well, but it's a key part of it.”

“Then when you have got the excellence, then how do you turn that into something which is commercially viable? I think that's the key because what you couldn't do is make a success of a business if you didn't have the trust and reputation.”

An interesting example was given by one interviewee who cited the Perfect and Protect anti-aging cream that Boots had developed. This was known to be a good product, but when independently endorsed by an academic, “we couldn't keep up with demand”. Hence this was put down to “a bit of luck” in turning excellence into success.

Three interviewees (14%) qualified their view that excellence and success were related by saying that excellence led to success in the long-term:

“I would say you can have short-term success without striving for excellence, but I think in the long-term you can’t have success without [excellence]”

One of these (an outsider again) related excellence to sustainability. Two interviewees commented on success’s relationship to excellence. One denied that it could go in that direction, while one thought that it could:

“...certainly, if you are doing well over here [success], then it releases more funds to be able to invest in people, development, training, that kind of stuff.”

There is evidence here, then, of an implicit understanding of the relationship between internal and external goods and an acknowledgement of the importance of prioritising internal goods even if it is done for the sake of something else.

In relation to the three preconditions for organisational virtue (agents, mode of institutionalisation and environment) we can make only some preliminary remarks here. It was thought that the move from a Public Limited Company to one owned by private equity might mark a change in the extent to which external goods were prioritised. There is some limited evidence of this in the increase in the success score, but overall it is perhaps too early to say to what extent private equity might have this effect. Countering this, there is some evidence of the influence of the senior management of the merged firm, with Stefano Pessina as Executive Chairman being cited often in the interviews,¹⁵ moving the firm towards a more healthcare-led status and thus a better purpose. There may be some early evidence of a possible conflict with virtuous agents at the level of the institution having their desire for organisational purpose frustrated by the mode of institutionalisation and by the (financial) environment in which it is situated. Or, again, it could be that the senior management simply sees being healthcare-led as a means to the end of greater (financial) success.

Summary

The results, then, might be summarised on the mapping for organisational virtue as shown in Figure 9. This is deliberately drawn schematically rather than attempting an unwarranted quantification. Boots prior to merger is close to the virtuous position on the success-excellence axis, while Alliance Unichem (AU) prior to the merger is more success-oriented. Alliance Unichem, however, has a better purpose. The merger (AB) causes a mediating effect on both axes. The effect of the private equity takeover is marginal (and as noted quite possibly too early to discern), but the dotted lines show the directions that this seems to be taking – both towards a better purpose as the healthcare-led focus re-establishes itself under the former Alliance Unichem leadership, and more success-oriented as the financial focus of private equity asserts itself. The general direction, therefore, is at roughly 90 degrees to that which would lead to a virtuous organisation.

¹⁵ 16 of the 21 interviewees cited Stefano Pessina’s name which occurred 70 times in the course of the interviews.

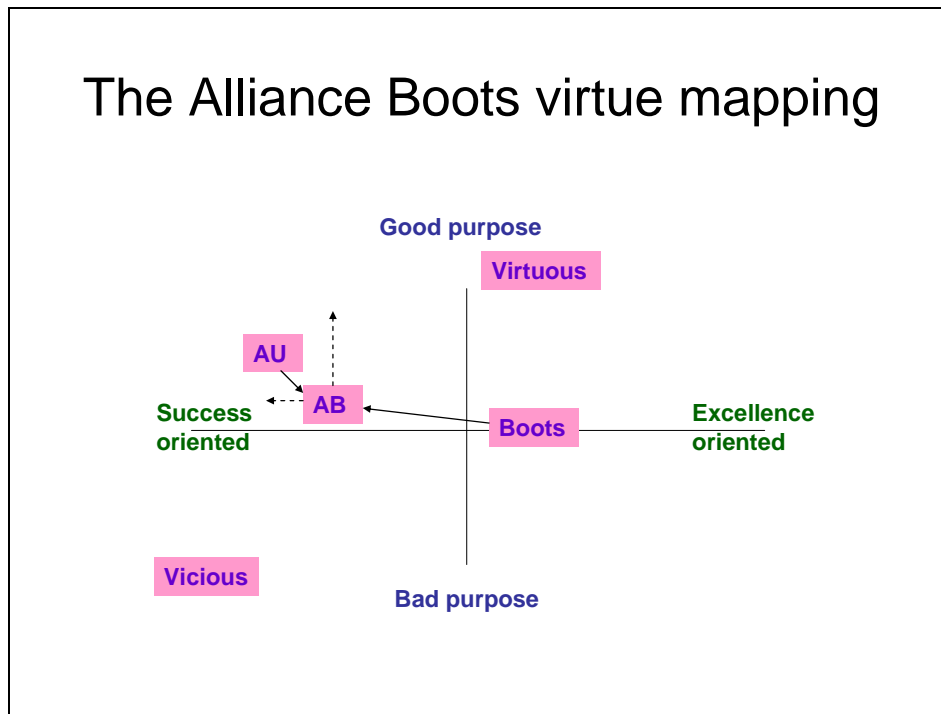


Figure 9. The Alliance Boots virtue mapping

Conclusions

In this paper I have argued for the relevance of a virtue ethics approach to business, outlined MacIntyre’s conceptual framework and shown how it may be applied to business organisations, and presented some initial findings from an empirical study of Alliance Boots. What might we conclude?

First, it does seem possible to apply a virtue ethics approach to business organisations *at the level of the organisation*, rather than only at the level of individuals – managers or practitioners. Second, MacIntyre’s conceptual framework does give us a helpful way of thinking our way into this, and the practice-institution distinction, and the separation of internal from external goods (and the prioritisation of the former over the latter in both cases), is conceptually revelatory. Third, we have demonstrated the feasibility of exploring these concepts empirically.

The empirical questions relating to organisational purpose, success and excellence and, to a more limited extent, the three preconditions for organisational virtue, have therefore been given some empirical flavour and we have been able to confirm the existence of the category of intermediary goods. We have also been able to develop the idea of mapping these concepts onto a two-by-two framework and shown how this might be used, not so much to identify the exact location of an organisation at one point in time, but movements over time. It may be (though in the nature of this research it has not yet been attempted) that such mapping is helpful to organisations in thinking through where they are and want to be in relation to organisational virtue and in giving them some ideas for how any desired movement may be undertaken.

In relation to methodological improvements, it could be argued that the quantification inherent in the success-excellence exercise might be extended to the notion of organisational purpose. A scale here (perhaps from +10 to -10) where the upper end is represented by, say, organisations like charities and the lower end by, say, a concentration camp, would allow respondents to score organisational purpose. While interviews here provided a vital method for exploring these issues in some depth, it could be that more precise definitions and scales could lead to a more quantitative survey approach in future, allowing easier comparison between organisations and for the same organisation over time.

Overall, then, this paper makes a further contribution to the development of empirical studies in MacIntyrean virtue ethics and tends to confirm, rather than refute or modify, his conceptual framework and its applicability to the study of virtue in business organisations.

References

Beadle, R.: 2002, 'The misappropriation of MacIntyre', *Reason in Practice* 2/2: 45-54. (The journal has been subsequently renamed *Philosophy of Management*).

Beadle, R. & D. Könyöt: 2006, 'The man in the red coat – management in the circus', *Culture and Organization*, 12, 2, 127-137.

Beadle, R. & G. Moore: 2006, 'MacIntyre on virtue and organization', *Organization Studies*, 27, 3, 323-340.

Bruining, H., P. Boselie, M. Wright & N. Bacon: 2005, 'The impact of business ownership change on employee relations: buy-outs in the UK and The Netherlands', *International Journal of Human Resource Management*, 16, 3, 345-365.

Coe, S. & R. Beadle: 2008, 'Could we know a practice-embodying institution if we saw one?', *Philosophy of Management*, 7, 1, 9-19.

Crockett, C.: 2005, *Grounding the theory of virtue*, unpublished PhD thesis, The Robert Gordon University, Aberdeen, UK.

- Crockett, C.: 2008, 'MacIntyre: from transliteration to translation', *Philosophy of Management*, 7, 1, 45-66.
- Crockett, C. & A. Anderson: 2008, 'A grounded theory of virtue: from purpose to praxis', working paper.
- DesJardins, J.: 1984, 'Virtues and business ethics', pp. 136-42 in *An introduction to Business Ethics*, G. Chryssides and J. Kaler (London: Chapman and Hall, 1993), and first published in *Corporate Governance and Institutionalising Ethics*, ed. M. Hoffman (Lanham, Md: Lexington Books)
- Eisenhardt, K.: 1989, 'Building theories from case study research', *Academy of Management Review*, 14, 4, 532-550.
- Eisenhardt, K. & M. Graebner: 2007, 'Theory building from cases: opportunities and challenges', *Academy of Management Journal*, 50, 1, 25-32.
- Foot, P.: 1978, *Virtues and Vices and Other Essays in Moral Philosophy* (Oxford: Blackwell).
- Hine, J.: 2007, 'The shadow of MacIntyre's manager in the kingdom of conscience constrained', *Business Ethics: a European Review*, 16, 4, 358-371.
- Horvath, C.: 1995, 'Excellence v. Effectiveness: MacIntyre's critique of business', *Business Ethics Quarterly*, 5, 3, 499-532.
- Keat, R.: 2000, *Cultural goods and the limits of the market* (London: MacMillan Press).
- Keat, R.: 2008, 'Practices, firms and varieties of Capitalism', *Philosophy of Management*, 7, 1, 77-91.
- Koehn, D.: 1993, 'The role of virtue ethics in the analysis of business practice', paper presented at the annual conference of the Society for Business Ethics, Atlanta, USA.
- Koehn, D.: 1995, 'A role for virtue ethics in the analysis of business practice', *Business Ethics Quarterly*, 5, 3, 533-539.
- Lea, S. & P. Webley: 1997, 'Pride in economic psychology', *Journal of Economic Psychology*, 18, 323-340.
- MacIntyre, A.: 1988, *Whose Justice, Which Rationality?*, (London: Duckworth).
- MacIntyre, A.: 1994, 'A partial response to my critics', pp. 283-304 in *After MacIntyre*. J. Horton and S. Mendus (eds.), (Cambridge: Polity Press).
- MacIntyre, A.: 2007, *After Virtue*. 3rd ed. (London: Duckworth).
- MacIntyre, A.: 2008, 'How Aristotelianism can become revolutionary: ethics, resistance, and utopia', *Philosophy of Management*, 7, 1, 3-7.

McCann, D.P. & Brownsberger, M.L.: 1990, 'Management as a social practice: rethinking business ethics after MacIntyre', *The Annual of the Society of Christian Ethics*, 223-245.

Moore, G.: 2002 'On the implications of the practice-institution distinction: MacIntyre and the application of modern virtue ethics to business'. *Business Ethics Quarterly* 12/1: 19-32.

Moore, G.: 2005a 'Humanizing Business: a modern virtue ethics approach'. *Business Ethics Quarterly* 15/2: 237-255.

Moore, G.: 2005b 'Corporate character: modern virtue ethics and the virtuous corporation'. *Business Ethics Quarterly* 15/4: 659-685.

Moore, G.: 2008, 'Re-imagining the morality of management: a modern virtue ethics approach', *Business Ethics Quarterly*, 18, 4, 483-511.

Moore, G.: 2009, 'Virtue ethics and business organisations', pp. 35-59 in J. Smith (ed.) *Normative Theory and Business Ethics* (Lanham: Rowman & Littlefield).

Moore, G. & R. Beadle: 2006, 'In search of organizational virtue in business: agents, goods, practices, institutions and environments', *Organization Studies*, 27, 3, 369-389.

Morse, J.: 1999, 'The missing link between virtue theory and business ethics', *Journal of Applied Philosophy*, 16, 1, 47-58.

Nielsen, R.: 2008, 'The private equity-leveraged buyout form of finance capitalism: ethical and social issues, and potential reforms', *Business Ethics Quarterly*, 18, 3, 379-404.

Porter, J.: 1994, *The Recovery of Virtue* (London: SPCK).

Siggelkow, N.: 2007, 'Persuasion with case studies', *Academy of Management Journal*, 50, 1, 20-24.

Solomon, R.: 1992a, *Ethics and Excellence. Cooperation and integrity in business* (New York: Oxford University Press).

Solomon, R.: 1992b, 'Corporate roles, personal virtues: an Aristotelean approach to business ethics', *Business Ethics Quarterly* 2, 3, 317-39.

Solomon, R.: 2004, 'Aristotle, ethics and business organizations' *Organization Studies* 25, 6, 1021-43.

Swanton, C.: 2003 *Virtue ethics. A pluralistic view* (Oxford: Oxford University Press).

Thornton, P.: 2007, 'Inside the dark box: shedding light on private equity', (London: The Work Foundation), www.theworkfoundation.com.

Yin, R.: 1994, *Case study research: design and methods*, 2nd ed., (Thousand Oaks, CA: Sage Publications).