

The leader as *friend*: Implications of Leonardo Polo's *Friendship in Aristotle* for humanistic corporate governance

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To some people, the world of finance and business is purely mechanical, devoid of ethical considerations. But it has become quite obvious, given the most recent financial crisis alone, that there is no escaping the fact that ethical reasoning is vital to the practice of business and finance (Racelis, 2013). The material and psychological harm caused by the 2008 global financial crisis continues. As the Financial Meltdown of 2007-08 turns into a global economic crisis which will most likely be measured in years rather than months, it is imperative that we look beyond the symptoms and get to the root causes. The economic crisis, like the bubbles that preceded it, is the direct result of an increasingly unbalanced economy which has its roots in unbalanced lives (Clark, 2009).

Given these, business ethicists have recently begun emphasizing that the focus should be on virtues and the qualities of the business leader. The attention to consequences or duty is fundamentally a focus on compliance. Rather, one should consider whether an action is consistent with being a virtuous person. This view argues that personal happiness flowed from being virtuous and not merely from comfort (utility) or observance (duty). It acknowledges that vices are corrupting, whereas virtue leads to *eudaimonia* or human flourishing (Bruner, Eades and Schill, 2009). A more *humanistic* approach to business and management, thus, seems to be in order. Management could be called humanistic when its outlook emphasizes common human needs and is oriented to the development of human virtue, in all its forms, to its fullest extent. This kind of management appears to achieve a higher moral quality (Melé, 2003).

In this regard, a lot can be learned from Aristotle's treatment of the human person in his *Nicomachean Ethics*, especially his notions of *friendship*. Aristotle's *Ethics* is regarded as the first systematic treatment of ethics in Western civilization: it belongs in the tradition that stresses both the supremacy of our rational nature and the purposive nature of the universe. Aristotle pointed out that an ultimate end for people must be one that is self-sufficient, final and attainable; he maintained that happiness is the goal that meets these requirements. Consideration of the conditions are requisite to the attainment of happiness that led Aristotle into a discussion of *virtue*, which for him refers to the excellence of a thing and hence it refers to the disposition to perform effectively its proper function. For Aristotle, just like for the other classical philosophers, happiness was a type of activity and an achievement, rather than a feeling. His notion of happiness indicated success: to have lived a happy life was the same as having been a success at human life (Denise et al., 2002; Pakaluk and Cheffers, 2011).

One of the merits of Aristotle's approach to ethics is that it aims to be practical and, therefore, faithful to how human beings actually are. This surely helps to explain why Aristotle devotes one-fifth of his *Ethics* to a topic that is usually neglected altogether by contemporary moral theory – friendship. Aristotle devotes books 8 and 9 to the study of friendship. He affirms, right from the start, that friendship is a virtue, or at least is accompanied by virtue, and he considers it a necessity in daily life. Without friends, no one would want to live, even if he were to possess other goods, because prosperity is of no use if it is deprived of the potential for doing good. Human beings, even the just ones, are in need of friendship; and the just ones are the most capable of friendship. Thus, he who loves his friend is to be praised highly: in fact, *good* friends are equated with being friendly persons (Pakaluk, 2005; Polo, 1999).

Thus, Aristotle's treatment of *friends* and *friendship* can inform the subject matter of *leadership* a great deal: if the organizational leader were a *true* friend, that is, one who truly loves his co-workers and exercises charity, then he would govern well (Polo, 1999). Studies have, in fact, shown that leaders who lead with values and virtues bring about extraordinary business outcomes. For this to occur, a senior officer must avoid aloofness. He should not place himself on a pedestal and exercise command from a position far above the heads of his men, but he must come down to the ground where they are struggling and mingle with them as a *friend* and as a father (Hess and Cameron, 2006).

This paper seeks to ruminate on the notion of friendship in Aristotle, as discerned by Polo (1999), and draw implications for a discourse on character-based leadership —one that is based on the governance by a leader who is at the same time a *true friend* who views the rest as his *other selves*. Thereafter, the paper will draw areas for further investigation, especially those that concern the connection between the character of the *friend-leader* and successful organizational outcomes. After all, if Friendship exhibits a glorious "nearness by resemblance" to Heaven itself where the very multitude of the blessed (which no man can number) increases the fruition which each has of God (Lewis, 1958), an effort to achieve such *heavenly state* in a business organization would presumably not be in vain.

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