

Dragons of Industry:  
Nicomachean Ethics and Modern Management

Jason Vinck  
Peter Drucker Challenge, 2011  
A Response to: "Management, what is it good for?"  
Submitted: August 14<sup>th</sup>, 2011

While it is worth considering the possibility that the answer to the question, *management, what is it good for?* might very well be *absolutely nothing*, as the lyrics of the song titled *War, what is it good for?* indicate, I would rather assume the answer is *absolutely something* instead, and begin figuring out precisely what kind of thing it is. If I can be permitted this assumption, then I'd like to propose the thesis that good management produces happiness. More specifically, good management facilitates the production of something within an organization that produces happiness beyond the management structure and organization in which it was facilitated and produced. The organization produces a good, and the produced good also then contributes in some way toward a greater good beyond itself, ultimately producing happiness. The rest of this essay will attempt to further expand on and justify that thesis. To do so, I will rely heavily on Aristotle's philosophy, found in the Nicomachean Ethics, of human activity, goods, and happiness. In connecting Aristotle's philosophy to modern management, I will attempt to demonstrate that good management of a for-profit, private organization operates to produce the greatest amount of happiness for the greatest number of people. I will also demonstrate how the delusion that the organization is not obligated to produce this happiness is, in fact, a rather hideous delusion, and lastly, that management's greatest task is to understand how they can best facilitate the production of happiness, not simply facilitating the production of the good they actually produce. Throughout the essay, I will draw heavily from my own work experiences at a flooring company to provide specific examples when necessary to illustrate my ideas and provide evidence of my claims. Given the ambitious outline for this essay I have just proposed, you can understand why I'm not bothering to consider the "absolutely nothing" possibility any more than I already have.

To begin, I must first assert that Aristotle's writings in the Nicomachean Ethics, even though they are over two millennia old, are still relevant to current managers of modern organizations. This is undoubtedly true insofar as management may be deemed a human activity carried out to produce some good, as Aristotle writes, "every art, and every science reduced to a teachable form, and in like manner every action and moral choice, aims, it is thought, at some good" (1). For Aristotle, human art, science, action,

and choice comprises the totality of human activity, and these activities are not carried out for the sake of themselves, but to produce some good beyond the activity. Aristotle gives some specific examples involving horse-bridles and warfare (1), but for a more modern and familiar example think about a commute to and from a workplace. Whether a person drives their own car, takes public transportation, walks, bikes, or runs, the purpose of those human activities – driving, riding, walking, etc. – is not to perform the activity, but to get to and from a workplace. Even if the person enjoys these activities, it is also with another goal in mind, be it health, competitiveness, self-esteem, physical appearance, and the like. Similarly, no one works at their jobs simply for the sake of working (save, perhaps, some happy few. Notice: *happy* few), because typically one works so that one can earn wealth to procure necessities and, if possible, luxuries. Management is such an activity, and like walking or working, management too must aim at producing some good beyond the activity. What good and how will be discussed in a moment, but please note that the word *good* here does not simply mean some commodity, practical benefit, or moral satisfaction, but an *end* or resulting product of a human activity that could be all three: a morally satisfying, practical commodity.

Continuing the theory, Aristotle writes:

Since actions and arts and sciences are many, the Ends likewise come to be many... then of all things which may be done there is some one End which we desire for its own sake... this plainly must be the Chief Good, i.e. the best thing of all.

(1-2)

In other words, human activities are means to *ends*, and all *ends* are means to some Chief End, also known as the Chief Good. For Aristotle, absolutely everything that human beings do is a means by which some *end* is achieved. The achieved *end* is what is known as a *good*. Similarly, all *goods* are a means by which some Chief Good is achieved. This Chief Good is what all human activity strives to produce, consciously or not. Therefore, management as part of the category of human activity also strives to produce this Chief

Good, either directly or through the production of some other good that produces the Chief Good. The term *production* throughout this essay means either *to make manifest*, *to create conducive conditions for*, or *to otherwise bring about*, depending on the specific context.

So what is the Chief Good? What is management supposed to facilitate the *production* of? In a word: happiness. This answer is both universally acknowledged and highly problematic, as Aristotle makes clear, “so far as the name goes, there is a pretty general agreement... but about the Nature of this Happiness, men dispute, and the multitude do not in their account of it agree with the wise” (3). Generally speaking, happiness may be understood as that “which we desire for its own sake, and with a view to which we desire everything else” (1). Think back to the comment about the happy few who work not for some other good, such as money, pride, survival, or anything other than happiness. They work for happiness, because like all people they desire happiness and the working produces that. They do not work to produce happiness because happiness is a means of some other good, such as money, pride, survival, or anything else. Happiness is the end’s End, the good’s Good, the Chief Good.

However, describing happiness is very complicated, not just for Aristotle, but for the multitude and the wise alike. Aristotle does not attempt to precisely define happiness in a completely satisfactory way. Instead, he only endeavours to make a “rough sketch of the Chief Good,” because “any man may improve and connect what is good in the sketch” (12), so that “in actual life and conduct... like archers, with a mark in view, we shall be more likely to hit upon what is right” (2). For the for-profit, private organization there is one characteristic of happiness that is both the private sector’s *raison d’etre*, and its potential undoing: wealth.

Wealth is the third characteristic of happiness that Aristotle calls Liberality, because Aristotle is concerned with how happiness manifests itself as a code of conduct for an individual person. For our purposes, with a for-profit, private organization in mind, we can think of this characteristic of happiness as the pleasure produced through the

accumulation of material wealth. This is the kind of happiness money can *buy*. Aristotle is quick to note that pleasure can come in many forms, so that a horse to they who are fond of horses, and a sight to those who are fond of sights (11), and even charity to those who are fond of charity, will all produce a kind of pleasure, but although pleasure can be derived from many different goods – objects, experiences, actions – this pleasure comes from the acquisition of things beyond our own selves. It is not simply the satisfaction of greed, though, for “it is quite plain that [happiness] does require the addition of external goods” (10). One cannot deny the need for food, shelter, clothing, and other material things as the basic goods that are necessary to produce the Chief Good of happiness. “Without appliances,” Aristotle says concerning how to act to produce the most happiness, “it is impossible, or at all events not easy” (12). Those who are fond of raising horses, or seeing sights, or travelling to Vienna to deliver a conference paper to an adoring audience, need the material wealth to procure those things that produce happiness.

For the management of organizations in the private sector, particularly raw materials, commodities, finished products, and anything that is external to the human self, this is good news. The flooring company I worked for and mentioned at the top of my essay that sold and installed flooring products, was a for-profit, private organization. It was primarily managed by one man, who was also the owner, and he employed two others in management roles: one to manage sales, the other to help manage the employees and installation projects. Together, they facilitated the production of a good that had value beyond the structure in which it was facilitated: material wealth generated from the profit of selling and installing flooring. This good, material wealth, was then distributed to everyone involved in the organization, including myself, and the accumulation of wealth to buy food, clothing, shelter, and at the time a higher education, did indeed produce happiness. So in this way, the management structure of this private organization was an ideal Aristotelian human activity; it produced material wealth so that it might produce happiness, and was, therefore, good management. It aimed at producing a good, that produced several more, that eventually produced happiness.

However, and this is the bad news for the management of for-profit organizations in the private sector, there are some critical problems that keep this style of management from being ideal. First, while happiness was produced in the form of external goods acquired through earned wealth, it was obvious to me at the time that the production of wealth, and not happiness, was the aim of the organization. Money, and not happiness, was the Chief Good. This is not to say that happiness was discouraged or a total non-factor, even though some long days might have felt that way, it was just secondary to producing wealth. That a for-profit company would choose making a profit over making me personally happy if pushed to make the choice is not intended to be a shocking revelation, and I'm actually quite certain that there were times the owner and manager chose to keep employing me more for my own happiness rather than the profit margin of his business, but what is kind of shocking is how unrevelatory and borderline accepted as a fact of life this recognition is.

To explain why supplanting happiness with material wealth as the Chief Good of an organization should be somewhat appalling, J. A. Smith summarizes an important part of Aristotle's argument when he says:

The end of all action, individual or collective, is the greatest happiness of the greatest number. There is, Aristotle insists, no difference in kind between the good of one or the good of many or all. The sole difference is one of amount or scale.

(iv)

By eschewing happiness from the position of Chief Good at the managerial level, this organization essentially denied any social responsibility to anyone other than the managers, because recognizing happiness as the Chief Good necessitates recognizing the happiness of all as equal, from the employees of the organization to its customers, and even the community in which it exists. I have no doubt that management wanted, in an ideal world, to produce as much happiness for as many as possible, but constrained by a competitive marketplace they were forced to prioritize maintaining the existence of the

organization over the happiness it produced. It was not that these managers were bad people who did not want to be happy or produce happiness, so this points toward a much greater organizational problem at a societal level whereby this management structure was forced to choose between its own existence and producing happiness. Clearly, it chose self-preservation, as do all for-profit, private organizations do, but in choosing to exist over producing happiness it risks nullifying its own existence. If its Chief Good is not happiness, and it produces no other good with a view to happiness, then it ceases to be a *human* activity by definition, and simply becomes an activity. And what the effect of human beings performing unhuman activities – unhumanity being an utter negation of humanity, not to be confused with inhumanity, which is an oppression of it – for 8 hours a day, 5 days a week will be on those people, and the organization they work for, and the community they live in, and the society they compete in, will be disastrous in terms of their happiness.

Similarly, even if the management of this store were aiming to produce happiness through the production of wealth, they would also have to ensure that the happiness produced was not solely for the management that facilitated its production, and that as many people as possible would also share in that produced happiness. This social aspect of happiness as well introduces a difficult hurdle for management of for-profit, private organizations to overcome, perhaps the biggest hurdle for a private organization in a competitive consumer-capitalist economy where the organization's continued existence is often attributed to how *efficiently* it operates. *Efficiency*, of course, is just another way of referring to an organization's capability of accumulating high amounts of wealth relative to its expenditures, where often the prime expenditure is labour, also known as people. But the organization must overcome it, not simply to aim their human activity correctly and rightly at producing the greatest amount of happiness for the greatest number, but because "doing well by others and doing things positively honourable attaches to the act of giving, but to that of receiving only the being done well by or forbearing to do what is dishonourable" (57). Management must ensure the organization it manages aims to produce happiness as its Chief Good not just for the happiness of others, but for their own happiness as well. In other words, if management aims to produce its own happiness

through its organization, then that is precisely what they shall never have, for producing happiness for others is characteristic of happiness for oneself.

Therefore, every manager must always be thinking about how its organization can more directly, more unselfishly, and more efficiently, which here can mean less cost-effectively, facilitate the production of happiness for others, so that they too, and their organization, might be happy. To do otherwise is a hideous act of unhumanity. For managers who may believe that their organization's existence can only be assured by accumulated wealth, and that thus wealth, not happiness, ought to be their Chief good, Aristotle says this: "the life of money-making, it is one of constraint, and wealth manifestly is not the good we are seeking, because it is for use, that is, for the sake of something further" (5). Although wealth is necessary to produce happiness, it alone does not constitute happiness. It is "necessary to complete the idea of Happiness" (12), but it must not be mistaken for happiness in its entirety. To do so, as it is easy to recount the many private sector organizations that have, is to become a modern day dragon; hoarding wealth for its own sake, unwilling to spend it, share it, or give it away, totally lacking in Aristotle's notion of Liberality, and actively denying the happiness of others as well as the happiness of themselves. What organization would want to exist in a world where its existence requires its own unhappiness and unhumanity? Are there any managers of any organization who would knowingly burden themselves with unhappiness so that other people might be unhappy as well? If managers do not believe they can afford to produce happiness, the question then becomes why do they believe they can afford not to? What lonely mountain-ward of treasure could they possibly amass that would make them happy? Why do they value wealth so much, and the happiness it can buy so little?

As is so often the case, in attempting to answer the initial question *Management, what is it good for?*, I have provided only one answer, happiness, at the expense of many more questions. Aristotle, in his Nicomachean Ethics and other writings do provide more answers, and also more questions, many of which I was hoping I'd have time to consider here, but unfortunately do not. Aristotle also has much to say, indirectly, about the role of non-profit organizations, academic institutions, different kinds of for-profit organizations,

and especially government bodies, but these would all require their own essays, books, discussions, and conferences to be adequately communicated. So for the moment, I will simply conclude that happiness truly is the aim of all our actions, but we must be aware of that fact and recognize it in order to become better at producing it. This is important at all levels of society, from the individual person, to the organization, to the governing body, to the international polity, and especially for the managers at each level, managers being the people responsible for aiming their organizations at the mark, to aim it rightly.

Thank you for providing a forum for me to share my thoughts. It has made me very happy indeed.

## Works Cited

Aristotle. Nicomachean Ethics. Trans. D.P. Chase. Eds. Paul Negri and William Kaufman. Mineola, New York: Dover Publications, 1998.