

“Digital Virtues”? Aristotelian Leadership in the Fourth Industrial Revolution

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ABSTRACT

Aristotelian leadership in corporations and organizations and the virtues associated with it has been extensively studied. Today, due to the pandemic but mainly because of Information Communication Technologies (ICT) and the Fourth Industrial Revolution, there is an increase in online communication within corporate organizations (via emails, teleconferencing, etc.). In this new context, managers, CEOs and company leaders are developing digital behaviors. Online and electronic communication has largely replaced in person and a leader or e-leader should cultivate and use her virtues within a new digital environment. In this context, can we refer to emerging “digital virtues” or is the technological factor too “weak” to disturb the nature of these character traits? In order to address this question, this paper investigates four Aristotelian virtues that lie at the heart of an ethical corporate leader, i.e. “prudence/practical wisdom”, “fortitude” (courage), “temperance”, and “justice”. The findings will determine whether changing the means of communication affects the way in which a leader should develop these virtues.

1 The Challenges of the Fourth Industrial Revolution

Today, due to the pandemic but mainly because of the implications of the Fourth Industrial Revolution there is an increase in online communication within corporate organizations. In this new context, managers, CEOs and company leaders in general are developing digital behaviors. Online and electronic communication has largely replaced in person and a leader or e-leader should cultivate and use her virtues within a new digital environment. In this context, we are addressing the following question: Can we refer to emerging “digital virtues” or is the technological factor too “weak” to disturb the nature of these character traits (see Figure 1)? The question refers to leaders and specifically to e-leaders who, as will be discussed below, refer to a new category of leadership that is developing within the modern digital work environment. To answer this, we are investigating four virtues articulated first by Plato (Republic) and discussed in more detail by Aristotle: i) “prudence/practical wisdom”, ii) “fortitude” (courage), iii) “temperance”, and iv) “justice”. We believe this is an important issue because a lack of consensus on the defining elements of ‘virtuous leadership’ limits the understanding of its modern configuration and of course, of its consequences.

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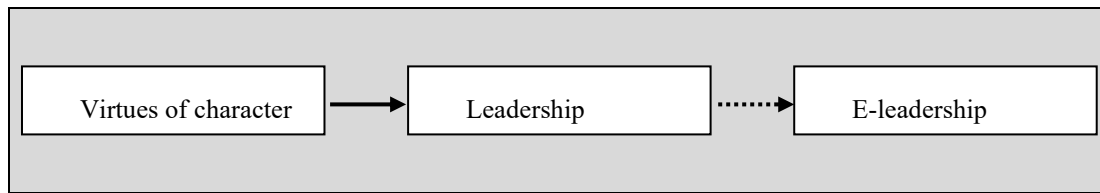


Figure 1. A Graphical Representation of the Research Question

2 Virtues and Corporate Leadership

Virtue ethics is a normative ethical theory treating the concept of “moral virtue” as central to morality. Foot (1978) argued that a feature of the virtues is that they are beneficial to humans either individually or as a community. Han (2015) argues that virtue ethics can contribute to the effective promotion of motivation for self-improvement by connecting the notion of morality and “*eudaimonic*” happiness. In addition, the theory can highlight the importance of virtues, which exist in us even as possibilities, in the way a company leader improves her professional conduct and the impact of this improvement on the corporate sphere (see Stelios, 2020, p. 254). Oakley & Cocking (2001, p. 83) note that the theory of virtue ethics successfully describes professional morality because it captures the distinctiveness of each profession. For instance, an individual responding and acting as a leader in an HR department may be under certain moral obligations. In the case of company leaders, a virtue ethics approach can “map” their professional nature in a strict and demanding manner.

Although it is mainly a subjective theory, we can nevertheless recognize, mostly intuitively, common virtues in both our personal and professional lives. Also, it contains features that allow a more practical consideration. A student of virtue must develop the right habits. This way he/she will tend to perform virtuous acts. Through habituation, understanding and knowledge true virtues are developed.

As already mentioned, there are 4 virtues that have been studied in relation to leadership. Let us look briefly at each one of them.

2.1 Prudence/Practical Wisdom (*Phronesis*)

In Nicomachean Ethics (NE), Books V and VI, Aristotle argues that “*phronesis*” is an intellectual virtue, belonging to the ‘rational part of the soul’, rather than that referring a) to emotions, desires and impulses, and b) to ‘moral virtues’ i.e., self-control and justice. A person with “*phronesis*”, translated also as “prudence”, is an expert at deliberating for the purpose of living and doing well. She is also able to find the ‘mean’ of a moral virtue in any situation. Furthermore, in passage 1140a of NE it is mentioned that a characteristic of the practically wise person is to be able to deliberate nobly about what is good and beneficial for himself. This deliberation is not about particular respects, for example factors about health or strength. It is about what conduces to living well as a whole (Aristotle, 2004, pp. 106-107). “Practical wisdom “helps individuals to be objective and just and at the same time, one is able to know the appropriate means and practices that she will apply to achieve the goals. Within ethics it is a key intellectual virtue representing a rational ability to see situations correctly. In NE, 1141b30-1142a3, Aristotle argues the following:

Practical wisdom is also thought of especially in terms of that form of it that is concerned with oneself, the individual; it has the name ‘practical wisdom’, which properly is common to the various kinds... One species of practical wisdom will indeed be knowledge of what is in one's own interests, but there is much disagreement about it. The person who knows his own interests and makes these his concern seems to be a practically wise person... (Aristotle, 2004, pp. 110-111).

The person of “practical wisdom” (the *phronimos*) determines the mean with respect to actions as well as passions by choosing the right times, occasions and manner for actions. In addition, she chooses virtuous actions for their own sake (Klein, 1995, p. 7). Of course, this is not an easy task and Aristotle mentions this issue in passage 1109b19-23 of NE: “But how far and to what extent someone must deviate before becoming blameworthy it is not easy to determine by reason, because nothing perceived by our senses is easily determined; such things are particulars, and judgement about them lies in perception” (Aristotle, 2004, p. 36).

“Phronesis” is, therefore, critical for decisions promoting *eudaimonia* (translated also as happiness) at both the personal and collective level. It comes with experience and cannot be identified with IQ. Now, in a world of shifting contexts and priorities, “prudence” is the trait managing a proper balance between any given two extremes. It is often associated with insight and knowledge (Jackson, 2013).

Leaders who keep their promises and behave consistently, fairly, with good judgment and prudence, can trust and give opportunities as well as power to others. Through “prudence” one realizes what is right to do in a given moral state and can change things for the better and towards a new moral direction.

Leaders need the insight to explain what the future has to look like and what actions will be successful. The wise person decides and guides appropriate action. She applies moral practical concepts to overcome doubts and accomplish success. Leaders who understand how they can make the right decision in all circumstances take on a wise leader's persona (Lenka & Kar, 2021, p. 205).

2.2 Fortitude

“Fortitude” includes the characteristics of perseverance, patience, endurance and courage. These traits are directed toward adversity on behalf of a noble cause. Furthermore, it is related to individual consideration. Leaders can act as mentors, coaches and teachers to their followers (Jackson, 2013).

“Fortitude” helps people to overcome fear, and face the trials of life. It makes us brave in circumstances where our natural inclination is to be shy. Fortitude is characterized by strength, courage, endurance and resiliency. These qualities make leaders stronger and sharper (Lenka & Kar, 2021, p. 205).

2.3 Temperance

According to Aristotle (see passages 1107b5-9 & 1117b25-27 of NE), “temperance” is the mean concerned with pleasure and pain (Aristotle, 2004, p. 32 & pp. 54-55). It could be argued that it is a virtue that refers to the ability to control one's emotions by accepting her deficiencies. “Temperance” is essential in problem management and in any ethical choice.

A leader insists and strongly supports her decisions. She is consistent in what she stands for and is not disoriented. She sets the course and her actions are characterized by wisdom and stability. She curbs passions and pleasures and employs reason. In combination with the virtue of “prudence” she guarantees an optimistic and stable course for the future.

So, the role of “temperance” in corporate conduct is significant. Under certain conditions a leader needs to balance their approach. It is self-discipline that keeps you going. Being more in charge of your decisions will drive you quicker to your desired destination. A leader who practices temperance, self-denial, self-control and self-discipline forms a more stable profile that will allow her to make the right decisions and achieve any goals (Lenka & Kar, 2021, p. 205).

2.4 Justice

According to Aristotle, in order for someone to become just, it is not enough to know what justice is, but to constantly perform righteous deeds. “Justice” is defined as ‘*hexis*’ (a disposition) according to which one acts and wants to do justice. Society is the reference frame of justice. Its implementation is a condition of prosperity. “Justice” can be understood as both a moral and a political virtue. It is probable the most important of virtues since the other virtues are necessary and useful for those who practice them, while “justice” based on a specific person is offered also as a benefit to fellow citizens.

“Justice” may be considered as a constant willingness to give others what they deserve. After all, everybody wants to be treated in a just, non-discriminative way. For ethical leadership, integrity is, thus, an important element (see Parry & Proctor-Thomson, 2002; Resick et al., 2006). Everybody expects truthfulness and consistency in all aspects of corporate conduct and the just leader creates a working environment full of honesty where everyone is treated fairly (Lenka & Kar, 2021, p. 205).

Furthermore, Aristotle draws a distinction between a broad and a narrow sense of “justice.” In the broad sense, “justice” is referring to actions conducive to the common welfare. Justice, in that sense, is identified with moral virtue in general insofar as morally virtuous conduct positively affects the welfare of others. In the narrow sense of the term it is identical to the fair. The unjust or unfair act, according to Aristotle, is caused by love of gain (*pleonexia*) i.e., the desire to secure more than one's proper share of wealth, honor, office, or safety (Klein, 1995, p. 10). In the context of business ethics, these two senses are both applicable as they refer to both individual executives and competing self-interested groups within the corporation.

3 E-Leadership

Nowadays, there seems to be a constantly changing and complex corporate leadership dynamic that is affected by the introduction of new forms of advanced information technology (AIT). According to DasGupta, (2011, p. 2) “Leadership and technology enjoy a recursive relationship, each affecting and at the same time being affected by the other; each transforming and being transformed by the other”. Furthermore, Avolio and Kahai (2003, p. 325) argue that leaders today may lead entire projects from a distance. They may interact with team members solely through information and communication technology (ICT). So, there exist implications for leaders and team members derived from this interaction. In this context, a new term has emerged: E-leadership. But what is e-leadership?

First of all, the key difference between leadership and e-leadership, is that the latter takes place in an ICT mediated work context. The purpose of e-leadership seems to be the enhancement of the relationships developed within organizations among its members (Avolio and Kahai 2003, p. 326). In addition, it is “a social influence process embedded in both proximal and distal contexts mediated by AIT that can produce a change in attitudes, feelings, thinking, behavior, and performance” with individuals, groups and/or organizations (Avolio et al., 2014, p. 107). This definition emphasizes the effects of the use or non-use of ICTs. The alternative style of e-leadership is the “traditional” one, which is mediated by face-to-face communication (speaking & listening) consisting also of nonverbal communication and physical presence cues (Van Wart et al., 2019, pp. 82-83).

E-leaders have to address the challenges and issues that arise in virtual teams. Because, all types of communication and interaction between the members of virtual teams take place through ICT, leaders face challenges in integrating technology and human interaction.

Technology is a critical component in virtual organization and its use is influenced by social and situational factors. For example, the age of the leader may play a role in the ease of use of modern ICTs. Or the seriousness of the topic of an online meeting can affect how relevant technology will be used.

Furthermore, it is crucial for leaders to create e-leadership styles which will manage virtual teams and operations more effectively. E-leaders must develop best practices to face several issues and challenges in virtual organizations. Within this framework, it is essential for virtual team leaders to provide motivation, confidence, co-ordination and proper guidance to virtual members. This will help team members to perform more efficiently, paving the way for organizational development (Sahay & Baul, 2015, p. 55).

For Avolio and Kahai (2003, pp. 327-330) e-leadership alters the patterns of how information is acquired, stored, interpreted and disseminated. This characteristic affects also how people are influenced and how decisions are made within organizations. Some of the consequences of ICT that ultimately affect leadership are the following:

1. Information access has changed.
2. Workforce interconnectivity is greater than ever.
3. Today it is much easier to reach others.
4. Communication is more influential than before.

Overall, digital or electronic corporate conduct, today, is dominant. In a contemporary world of global markets, corporations use e-mail, videoconferences, *ad hoc* teams, telecommuters, online ordering, virtual offices, intranets and instant information for management and for achieving their goals. These functions are both challenges and opportunities for e-leaders. Leadership is unfolding in an internet-connected economy that smartphones, personal computers and other devices have made possible (Bansal, 2008, p. 82). In order to succeed in this economic environment, each corporation needs to digitally adapt and form a corresponding management system that could be disseminated to its small and large digital groups.

4 Digital Virtues?

Since modern practice has given rise to a new kind of leadership, that is e-leadership, can we refer to “e-virtues”? In line with what has already been mentioned, let us look first, at each virtue separately.

▪ **Prudence or “E-Prudence”:** A prudent person knows the right thing to do in each situation. She acts upon that knowledge about things that are good or bad for humans. Because it comes with experience and cannot be identified with IQ, it mainly concerns the knowledge on digital communication. The greater the specialization in e-communication, the more the virtue “prudence” is cultivated. Doing what is right and avoiding what is wrong in e-leadership is interconnected, thus, with knowledge. So, “prudence” is mainly associated with digital-online knowledge. This reminds of the path-goal theory (House, 1971) which assumes that a leader's behavior, which changes according to circumstances, ultimately determines leadership effectiveness. Employee performance is affected by the extent to which the leader meets their expectations. The leader defines the tasks and objectives to be fulfilled by determining ways to implement them. In that context, a prudent e-leader knows the right thing to do in each situation using advanced information technologies.

▪ **Fortitude or “E-Fortitude”:** Perseverance, patience, endurance and courage toward adversity on behalf of a noble cause. E-Leaders can act as mentors, coaches and teachers to the members of their virtual teams. Through proper electronic communication (email, video

chat content) they can guide employees to overcome difficult situations. Through “fortitude” moral e-leaders can successfully lead their organization through difficult and demanding conditions. They remain true to their selves and to their mission and goals (Dierickx, 2017), without, though, significantly determined by the new communication and information technologies.

▪ **Temperance or “E-Temperance”:** This is a virtue about controlling one’s emotions. “Temperance” is essential in moral conduct and for leaders it is strongly related to self-discipline. Being more in charge of your decisions will drive you quicker to your desired destination. According to Riggio, Zhu, Reina and Maroosis (2010), a moral leader is defined as someone whose characteristics and actions are based on, among others, the virtue of temperance. For e-leadership, the mediation of technology leaves less room – in comparison to face-to-face communication - for the expression of emotions. In that sense, the virtue of “temperance” does not seem to acquire a new digital form associated with an e-leader.

▪ **Justice or “E-Justice”:** The virtue of “justice” refers to a constant willingness to give others what they deserve. “It is equated with legality and equality, but has also a social character. As argued in NE, 1130a, it overcomes the traits of selfishness and turns into benefit towards fellow human beings (Aristotle, 2004, p. 83). In a work environment, everybody wants to be treated in a just, non-discriminative way and in that sense, integrity is a crucial element of leadership. The just leader creates a working environment full of honesty where everyone is treated fairly’ both individual executives and competing self-interested groups. Now, the diverse and open nature of ICT/AIT favours the development of this trait within corporate environment and “justice” may be closer, compared to the other virtues, to being transformed into a digital virtue. Its social nature correlates with the collective nature of ICT making it easier for corporate e-leaders to develop the right habits and perform virtuous/just acts. Furthermore, a leader needs to behave in a way that will ensure the achievement of goals (Berelson, & Steiner, 1964). This condition is referred to as motivation and is particularly important as it activates, directs and ultimately sustains corporate behavior. In this framework, the equity theory of motivation (Adams, 1963) is proposing that employee motivation is based on the assumption that when they feel wronged in relation to the effort they put in, they make efforts to correct this unfairness. The idea is that individuals are motivated by fairness and employee motivation is driven mostly by their sense of fairness.

Based on the above, can we refer to emerging distinct “digital virtues” for e-leaders? First of all, the four virtues include e-leaders operating across the spectrum of corporate activity. There is no business sector that does not use, to some extent, ICT services. Therefore, there is an emerging new field of corporate conduct that incorporates, in principle, new character traits and there is potential to apply these features to the digital realm. This is due to the essence of communication which, although it is mediated, remains essentially the same. Based on this, two virtues, due to their nature, seem to be more related to digital behavior. “Justice” and “prudence”. For the other two virtues, namely “temperance” and “fortitude”, the modern e-environment of corporate conduct leaves little to no room for their development.

5 Conclusion

By reviewing Aristotelian literature on virtue ethics and certain literatures on leadership and e-leadership, we attempted to answer the following question: Is it proper to refer to emerging “digital virtues” or is the technological factor too “weak” to disturb the nature of these character traits? Knowing in advance that the “digitization of virtues” is a bold metaphor, we come to a first finding: that the answer is certainly not a simple one!

By using the tools and data of the so called Fourth Industrial Revolution, corporate leaders and executives communicate with their teams. They necessarily adapt their behavior. What seems to be happening, however, is that the key issues they face are the same. Virtues continue to be cultivated in pursuit of the “golden mean”, even if this process takes place in the digital world. We believe that even though the interaction happens from a distance, the nature of Aristotelian leadership virtues remains the same. Of course, empirical studies are needed to investigate further this possibility, but according to our initial approach, technology cannot significantly change the basic features of the virtues. ICT/AIT does not affect decisively the way in which a leader should develop these virtues. A leader will be, for example, just when she offers everyone what they deserve, even if it is done through digital communication channels. And justice can be served through technology, since ICT is becoming an active tool of actions and not just speech and words.

In conclusion, promoting virtuous leadership or e-leadership is an effective pathway for improved employee well-being. Through proper moral conduct, a leader can undoubtedly benefit organizational and individual performance.

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