

Character and Virtue in the Nigerian Banking Profession: An Aristotelian Approach to Professional Ethics

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ABSTRACT

This paper examines the applicability of Aristotle's virtue ethics to the banking profession in Nigeria. It discusses why the moral character of professionals has declined in recent years and also demonstrated how a virtue-based approach can help and deepen professional bankers' understanding of professional ethics. The profession of banking, like other professions, has codes of conduct or 'professional ethics' designed to ensure good or just practice and to protect clients and members of the public from unjust practice. However, such codes seem insufficient to guarantee conformity to them of individual practitioners. Many recent professional failures and scandals in banking would appear to have been attributable to the failure of personal moral character. Many banking professionals care little about their clients, they have no notion of the public interests, and they are concerned primarily with themselves, their personal interests without regard to professional ethics. Most professional ethicists often emphasize various forms of deontology and utilitarianism approaches. These approaches are too abstract and also neglect personal responsibility and the development of character. Many professionals have difficulty with the application of ethical theory which has conflicting approaches to practical dilemmas that require resolution. It argues that the foundation of the banking profession is moral character; professional bankers cannot separate the issue of trust from their professional calling and the foundation for trust in the banking profession is the character and virtues of honesty, integrity, fairness, trustworthiness, truthfulness, moral courage, and character-friendliness. The paper concludes that these virtuous acts are beneficial and necessary to the banking profession, banks' customers, banks' survival, and the nation's economic growth and development.

Keywords: Aristotelian virtue ethics, Moral character, Virtuous professional banker, Professional ethics, Unethical practices, Professional banker

INTRODUCTION

A number of studies in the field of banking ethics in Nigeria are concerned with banking as a business activity and from a descriptive ethics perspective (Adeyanju 75-86; Amah 212-229; Dogarawa 78-86; Uche 66-74), but rarely examined the normative professional ethics aspect of banking. This present paper is a normative approach to professional banking ethics. Banks as the oldest of all financial-service professions create and play a diverse role in any society's economy, which includes connecting and intermediary roles between the fund-supplying and fund-demanding sides of the society, executing savings and investment functions (Aktan et al 30; Dogarawa 78).

This function of financial intermediation involves an essential social responsibility toward the two groups of actors: fund-supplying and fund-demanding sides of society. Banking is

both a business and a profession; hence, banking ethics involves business ethics and professional ethics. Banking either as a business or profession is essentially based on trust where depositors entrust their monies to banks and bankers for safety and investment. Since trust is one of the most critical assets of banks and bankers one would expect zero tolerance for unethical practices in banking both as a business and a profession but this is hardly the case; professional bankers are expected to behave within certain moral principles defined by the roles of banks and bankers in the society. There is no doubt that the unethical practices in the banking industry are a reflection of the moral failure in the society that bankers are part of. This paper is concerned with banking as a profession, that is, professional ethics. Professional ethics, like most areas of applied ethics, often tends to center on principles of actions, on the action itself and its

consequences. The most common contrast, usually presented as the focus of debate on most ethical issues, is between deontological (duty-based theory) and teleological (consequence-based theory). The former centers mainly on the principles of action, on their universality and justification; the latter centers on the consequences of action, their moral goodness and badness. In professional ethics, it is generally agreed that all three elements - the principles of action, the action itself, and the action's consequences - must be taken into consideration. Nevertheless, there is another option, not sufficiently covered by either deontological or teleological theory, and that is the moral character of the person acting. Although deontological and teleological theories differ in many respects, they have one thing in common: they are concerned with principles and standards for evaluating moral behaviour. They focus on what humans should do, not on the kind of person humans ought to be. This paper is concerned with the normative ethical theory that focuses on the moral character of a person (a professional banker).

In the process of meeting his/her professional obligations and duties to customers and other stakeholders in the banking profession, the professional banker is confronted with a number of ethical issues, problems, and dilemmas. It is in the light of these ethical issues, problems, and dilemmas that professional bodies formulate codes of conduct for their members in order to regulate and guide them on what the profession and society expect from them. The banking profession in Nigeria is regulated by the Chartered Institute of Bankers of Nigeria (CIBN). The CIBN provided a professional code of conduct for professional bankers. The overall objective of the code is to “ensure strict adherence to best banking practices and a strong commitment to ethical and professional standards in behaviour in the Nigerian banking industry” (CIBN 4). Professional bankers are obliged to obey certain principles of the banking profession, which include honesty, integrity, diligence, credibility, transparency, fairness, and trust (CIBN 10). These principles in addition to competence are essential to generating trust and confidence in the banking profession by the public. It is obvious that these principles say a lot about the character and virtues expected of a professional banker.

The purpose of the code of conduct by the CIBN is to ensure the highest level of adherence to

good banking practice and a strong commitment to high ethical standards in the professional banker–customer relationship and other relationships of the professional banker with others: employers, co-professionals, and the public as a whole. But do bankers adhere to the principles in their professional code of conduct? Why are professional bankers not adhering to the code of conduct in the banking profession? And what is responsible for the unethical practices and behaviours in the banking profession in Nigeria? What constitutes moral character and moral virtues in Aristotle’s ethical theory? This paper is an attempt to address these questions and also shows how the Aristotelian approach to professional ethics can help and deepen professional bankers’ understanding of professional ethics. We shall examine the application of Aristotelian virtue ethics to some unethical practices in the banking profession and recommend it, as a complement to deontological and teleological theories. Let us begin by clarifying some of the central concepts: “ethics”, “professional”, “professional ethics”, “banking”, to better situate our discourse and guide the reader.

Clarification of Terms

Ethics is derived from the Greek word *ethos* and is synonymous with “moral” because the Latin word *mores* from which moral is derived represents the Greek word *ethos*. They both connote customs, habits, way of life, or accepted ways of behaviour of an individual or a community; these identical terms refer to ideals of character and conduct. According to Omoregbe (153), ethics is the branch of philosophy that deals with the morality of human conduct; hence it is also known as moral philosophy. In corroboration with this view, Agulanna defines ethics as “the aspect of philosophy that is concerned with actions that are said to be good or bad, right or wrong, with moral responsibility and the conduct or behaviour of people in the society” (21). Rue and Byars see ethics as “principles of conduct used to govern the decision-making and behaviour of an individual or a group of individuals” (108).

These definitions imply that ethics studies and evaluates human conduct in the light of moral principles. Human actions and conduct form the core and subject matter of ethics. The study of ethics begins with the study of human deeds and behaviour. There is no doubt that without an

anchor in human deeds and behaviour, ethics loses its meaning and its value to decision-makers. Ethics is about what morals and ethical values are found appropriate by members of society, groups, organizations, and individuals themselves. It helps humans decide what is right and good or wrong and bad in any given situation. Concerning professionals, ethics is about who professionals are – their strength of character and what they do, their deeds and conduct.

A profession, according to Cottell and Terry, is characterized by four important elements:

- a specialized body of knowledge taught in a formal and certifiable manner,
- a commitment to social purposes (good ones) that justify the profession's existence,
- The capacity to regulate itself, often with the sanction of the law for those who violate acceptable norms of behaviour,
- Status and prestige of above-average ranking in society (18).

On his part, McDowell recognizes three possible methods of defining a profession:

- One is by defining characteristics; that is, listing certain essential characteristics such as the existence of a professional organization, state licensing, professional schools, professional journals, codes of ethics, and relatively high social status for members, and then identifying as professionals those occupations that possess these external characteristics.
- A second method is to look at the central or paradigm case. One looks at those occupational groups that are generally recognized in contemporary society as professionals.
- Finally, we could regard profession as a functional concept. Professionals have specified expertise that no one else adequately has. They sell that to clients who rely on them. Therefore, persons who do not have the expected expertise and are not trustworthy should not be entitled to “professional” status (13).

The Longman Dictionary of Contemporary English defines a profession as “a type of job that needs special training or skill, especially one that needs a high level of education” (1126). It is obvious from the above four important

elements that characterize a profession, the three methods of defining a profession, and the definition of a profession that banking, pharmacy, medicine, law, accounting, and engineering are considered professions among many others.

Professionals are skillful individuals having experiences relevant to their professions and from whom a high standard of behaviour is expected (*Longman Dictionary of Contemporary English 1126*). The implication of this is that a professional is an expert in a field that most clients/customers have limited or little knowledge about. Hence, clients/customers and society rely on the knowledge, expertise, and moral integrity of the professional.

Professional ethics, according to Kultgen, is a term with several meanings:

- It refers, first, to the norms required by the moral point of view for the kind of work that professionals do, that is, an ideal rational ethic.
- “Professional ethics”, means, second, common norms actually followed by most professionals. An ethic exists to the extent that professions regard such practices as morally obligatory.
- The term means, third, common elements of codes of professional associations. Many such codes exist, but they do not always conform either to rational norms or actual practices.
- Finally, the term refers to a prospective compact between the professions and society. The institutional reformer seeks to create such an ethic, but with the proviso that it conforms to rational ethics and the hope that its principles will gain currency among professionals and become incorporated in their codes (209).

Professional ethics is concerned with the study and evaluation of the ethical norms, standards, and principles of several professions and how these principles affect the behaviour of professionals and their relationship to society as a whole. Professional ethics is the moral norms, standards, principles, and regulations that guide the conduct of professionals in occupations that have professional status; it also raises central questions that contain ethical issues, problems, and dilemmas. Professional ethics is applied ethics that is concerned with the moral conduct and standards governing a profession and its

members. This area of applied ethics examines issues, problems, and social responsibility of the professionals as well as the profession itself in the light of philosophical principles, including duty and obligation. One main concern of this area of applied ethics is the kind of duties and obligations that professionals have to employers, clients/ customers, employees, other professionals, and society as a whole. Our concern in this paper is professional bankers.

Banking, according to Oxford Advanced Learner's Dictionary of Current English, is "the business activity of banks" (78). And, a bank is "an organization that provides various financial services" (*Oxford Advanced Learner's Dictionary of Current English* 77). So, banking is like any other business activity that seeks profits by providing financial services that satisfy the needs of society. Banking is largely a financial service and falls within the service industry. The import of these meanings of banking is that the banking business exists to make a profit by providing services that its customers value. The financial services provided by banks and bankers include but are not limited to the following: current accounts, saving accounts, time deposit accounts, foreign currency domiciliary accounts, equipment leasing, funds transfer within Nigeria, funds transfer outside Nigeria, loans, and overdrafts, and treasury bills.

Based on the clarification of the terms above, it is obvious that professional bankers are expected to act ethically; the reason for this is because duty demands that strong ethical standards are required for professional bankers to earn the trust and confidence of depositors/customers and the general public due to the fiduciary functions they perform. The moral obligations that the professional bankers owe to the rest of the members of society are an essential feature of the notion and conception of professionalism. It is clear that professional bankers must behave ethically and maintain the integrity of the banking profession; integrity is essential in the banking profession helping to generate the trust needed for a flourishing banking system in any society.

Character and Virtue in Aristotle's Ethics

Aristotle (384 - 322 B.C.) was born at Stageira in Thrace and his ethical thoughts are contained in his book *Nicomachean Ethics*. Aristotle's ethics, unlike deontological and teleological ethical theories, emphasizes the moral agent's

character and virtue rather than duties and rules, or the consequences of actions. For Aristotle, the character has to do with an agent's enduring traits; that is, with the attitudes, sensibilities, and beliefs that affect how a moral agent sees, acts, and indeed lives (Sherman 1). He is concerned mainly with good character with the virtues that guide a good life. Eudaimonism is the classical formulation of Aristotle's virtue ethics. It is derived from the Greek word *eudaimonia* meaning "happiness". This ethical principle maintains that happiness is the basic reason for morality. The aim of all human actions, according to this principle, is to produce happiness, and actions are judged as good or right if they produce happiness, while actions that do not produce happiness are said to be evil or wrong. For Aristotle, the highest good is happiness, the end of all human actions. The good life for man, according to him, is happiness and so men ought to behave to achieve happiness (Popkin and Stroll 7). But, then, what is happiness? Aristotle sees happiness as an activity of the soul and is inseparable from virtue (Omoregbe, *Ethics* 164).

What, then, is virtue? Beauchamp and Childress see virtue as "a trait of character that is socially valued and a moral virtue is a trait that is morally valued" (63). The import of this is that something of social value or benefit may not necessarily have moral worth and vice versa. Mintz states that virtues are "acquired human qualities, the excellence of character, which enable a person to achieve the good life" (827). Virtue, Aristotle says, "is a character state concerned with choice, lying in the mean relative to us, being determined by reason and the way the person of practical wisdom would determine it" (*Nicomachean Ethics* 1107a1). Virtue is not simply an isolated action but a habit of acting well. Virtues are good habits and are learned by practicing. For an action to be virtuous a person must do it deliberately, knowing what he/she is doing, and doing it because it is a noble action. While the moral virtues position a person to behave correctly, it is necessary also to have the right intellectual virtues to reason properly about how to behave. To this end, Aristotle maintains that there are two kinds of virtues, namely moral virtues (including prudence, justice, fortitude, and temperance) and intellectual virtues (including theoretical wisdom, practical wisdom). Intellectual virtues are the end product of teaching and for that reason require experience

and time to be cultivated. Moral virtues, on the other hand, lie between two extremes. Virtue, both moral and intellectual, is the means by which we become fully human because it allows us to achieve our natural end, the *eudaimonic* good life.

Aristotle recommends that an individual should strive for balance or moderation in life. He argues that each of the moral virtues is a golden mean, between two undesirable extremes: a vice of excess and a vice of defect. For instance, temperance is a mean between total abstinence and self-indulgence; courage is a mean between rashness and cowardice. These extremes correspond with specific vices associated with the character. Fundamental to Aristotle's notion of virtue is that humans make a deliberate, rational choice to act in a manner that lies between these two extremes and is hence considered virtuous (Mintz 830). For Aristotle, good judgement has an important place in ethics, and the ability to carefully consider how a virtuous person would act when facing an ethical dilemma is key to developing a virtuous character (Cameron 26; Solomon 322; Crossan et al 570). It is important to note that a single act of virtuous act does not automatically make an individual a virtuous person. Virtues, according to Aristotle, are developed over time and formed through the habitual practice of the virtues and consistent repetition of the right actions. Virtues, then, lead to character development in the sense that these good habits must be present for character formation to occur in an individual. Hence, Solomon asserts that "the virtues are a short-hand way of summarizing the ideals that define good character" (330). Character and virtue are expected to be examined within the concept of community and society, not in isolation. According to Aristotle, an individual has to think of oneself as a member of the larger community (society) and endeavour to excel, to bring out what was best in ourselves and our shared values and the common good. For Solomons – our virtues – are in turn defined by that larger community, and there is, therefore, no ultimate split of antagonism between individual self-interest and the greater public good" (322). Man is a social creature who gets his/her identity and meaning within the scope of a community.

In line with the notion of man as a social creature, Aristotle's virtue ethics also recognize the nature and value of friendship. All men, according to Aristotle, need friendship;

friendship is a necessary part of the good life. To this end, he identifies three types of friendship: friendship based on utility or usefulness, friendship based on pleasure, and friendship based on virtue or goodness of character. These three types of friendship were reduced to two by Cooper (634 – 639): pleasure/advantage-friendships and character-friendships. The pleasure/advantage-friendship is based on a sharing of benefits; each party in a friendship sees other qualities that are useful for attaining a particular end (Cooper 636). This type of friendship does not give room for a balanced relationship that is based on the fair exchange required in human relationships. Character-friendship, on the other hand, is founded on an individual's respect for the moral excellence exhibited in another person's life. Character-friends will always appreciate the intensity and excellence of each other's life, wish each other well at all times, and these friends will be able, to "share in those things which give them the sense of living together" (Aristotle 1172a7 – 8). Moreover, a character-friend is a friend that "loves his friend because of properties that belong to the friend essentially. This means that he loves him for what he himself is and not for merely external properties" (Cooper 640). Only the last type of friendship (character-friendship) is genuine friendship because it is based on wishing the good for the other person, appreciating the other person as a human being per se, and does not take advantage of the other person for personal gain. In other words, character-friends love another for who they are and not for what they stand to gain from one. This genuine friendship is necessary for self-knowledge and helps both friends to grow in virtues such as honesty, integrity, fairness, trustworthiness, truthfulness, moral courage, and character-friendliness.

To this end, the focal point of Aristotle's virtue ethics is the good human being. His virtue ethics elucidates and justifies an individual moral behaviour. What matters is what kind of person an individual is. A good act is something that a good person does and a good person has a sure moral character: a set of virtues rather than vices. Good acts presuppose virtues that are a result of virtues: honesty, integrity, fairness, trustworthiness, truthfulness, moral courage, and character-friendliness. In summary, it is obvious that Aristotle is so much interested in good acts, and emphasized our duties to our friends, and obligations to our fellow citizens as social

creatures. Let us now examine the application of Aristotle's virtue ethics to the banking profession.

Aristotelian Approach to Professional Ethics Vis-à-Vis the Nigerian Banking Profession

The consequences of unethical practices and behaviours in the banking profession affect the banking industry, clients, and society as a whole: distress in the banking sector, bank failures, loss of business for shareholders, public loss of confidence and trust in banking, and defaults in meeting depositor and creditor obligations among others. It is surprising to note that despite the banking regulation and bank examination by the Central Bank of Nigeria (CBN), the supervisory role of the Nigeria Deposit Insurance Corporation (NDIC), and the banking training, education, and regulation by the Chartered Institute of Bankers of Nigeria (CIBN), there is still a growing concern about unethical behaviour and practices in the banking profession in Nigeria.

It is quite disappointing to know that despite the effort by the regulatory authorities there still exist many unethical practices and behaviours that are prevalent in the banking profession. In the course of performing their duties to meet up with the professional banker-client relationships demands, as well as the expectations of the shareholders (Employers), bankers are confronted with a lot of ethical and professional issues, dilemmas, and problems.

It is, in the light of these demands and expectations, that professional bodies formulate a code of professional conduct for their members to guide them on what the profession and society expect from them.

Banks and the bankers that work for them are not only expected to operate professionally, but ethically so that the general public would have confidence in the banking system. Undoubtedly, high ethical and moral standards are required for banks and bankers to earn the confidence of depositors and the entire public due to the fiduciary function, which banks perform.

When a bank and the professional bankers that work there are ethical, customers will have great confidence to do business with them. Such banks will be able to attract, sustain and retain huge deposits. Since trust is one of the most crucial assets of banks one would expect less unethical behaviours by professional bankers, but this is not always the case.

Many professional codes of ethics in the banking profession across the globe cover areas like conflict of interest, integrity, confidentiality, customer privacy, abuse of trust, insider abuse, offer, and acceptance of gratification among others. The Chartered Institute of Bankers of Nigeria in her Code of Conduct in Nigerian Banking Industry (Professional Code of Ethics and Business Conduct) identifies certain conducts and practices as unethical/unprofessional for members: conflict of interest, abuse of trust/office, disclosure, misuse of information, insider abuse, offer and acceptance of gratification, non-conformity, and aiding and abetting (15 – 24). These codes provide a general statement of ethical values and remind persons in the profession that ethical behaviour is an essential part of their job. The codes serve as reminders about specific professional responsibilities and obligations. Do these codes have limitations? Can the codes ensure ethical behaviour without the professional's character playing a role? Adeyanju, citing McDowell, maintains that "ethical codes enable definition of the limits of what constitutes acceptable or unacceptable behaviour, and provide a mechanism for communicating ethics policy" (78). Despite all the checks and balances that codes provide, unethical behaviours such as fraud and forgeries are on the increase. One question that comes to mind is: why are many professional bankers not adhering to the code of conduct of the banking profession? The fact remains that many professional bankers lack strong moral character and virtues, that is, they have a moral character deficit. The prevalent moral character failure experienced in every sector of society is also responsible for the unethical behaviour in the banking profession. Societal value is driven by greed, materialism, and self-centeredness. But professionals are expected to live above board in line with their professional callings. As explained above, a professional is someone whom clients and society depend on his/her knowledge, expertise, and moral integrity (character). A professional code of conduct is necessary, but not sufficient without the moral character of the professional moral agent. The essence of the code of conduct is to enable professionals to determine what is morally good and bad, right and wrong, and acceptable and unacceptable. The codes have not been able to stop the bankers from engaging in unethical practices in the banking profession because these unethical conducts mentioned

above are still prevalent in the banking profession in Nigeria today. Most of the identified unethical conduct and practices in the Nigerian banking code of conduct have to do with an ethical issue in professional ethics known as conflict of interest.

Learning to identify ethical issues, in a profession, is the most significant step in understanding professional ethics. An ethical issue can be seen as "an identifiable problem, situation, or opportunity that requires a person or organization to choose from among several actions that may be evaluated as right or wrong, ethical or unethical", defined by Ferrell and Hirt (60-61). This implies that ethical issues arise when the choices people face will affect the well-being of others by either causing harm or benefit. In a professional setting, the choice entails evaluating personal interest against what is honest and fair. Many professional ethics issues are about conflict and in particular the conflict between professional duties and personal interest. Conflict of interest situations occur in many professions, the banking profession inclusive.

A conflict of interest exists when a professional must choose whether to advance his or her interest, those of the organization he or she works for, or those of some other groups: clients/customers and the public (Ferrell, Fraedrich, and Ferrell 67). A conflict of interest, according to Boat right, "occurs when a personal or institutional interest interferes with the ability of an individual or institution to act in the interest of another party when the individual or institution has an ethical or legal obligation to act in that other party's interest" (511). There is no doubt that conflicts of interest are fundamental in the banking profession because of the duties and roles of professional bankers to serve the interests of others: employers, clients, and society. As professionals, bankers are confronted with serious conflicts of duty and conflicts between duty and self-interest. Bankers are professionals who are entrusted to act in the interest of others without taking undue advantage of them. The professional banker is involved in different relationships: the professional banker and client/customer; the professional banker and employer; the professional banker and co-professionals; the professional banker and society. Conflict of interest may arise from any of these relationships and these relationships are relationships that are based on trust. Hence, trust

becomes the gateway through which ethics gains access to the banking profession.

A simple example will be of great help in elucidating the concept of conflict of interest: It is a well-known fact that bankers are assigned "unrealistic targets" to measure their performance and contributions to their employers' growth. Target's achievements come with a promotion for the banker. To realize these targets, some bankers do all manners of unethical things to meet their targets by "any means" such as debasement of womanhood (Corporate Prostitution), and violation of the provisions of the Money Laundering Act by accepting deposits from dubious individuals. As a result, moral character and virtue are sacrificed for the deposits, and professionalism is thrown overboard by unethical bankers. Other unethical practice and behaviour among bankers in Nigeria, related to conflict of interest, is fraud and insider abuse. Fraud simply means an intentional act by an individual or group of individuals with the main purpose of altering the truth or fact for selfish personal monetary gain at the expense of others. Owolabi, citing Nwankwo, maintains that "fraud occurs when a person in a position of trust and responsibility, in defiance of norms, breaks rules to advance his personal interests at the expense of the public interest, which he has been entrusted to guide and promote" (244). The import of this is that fraud is an example of conflict of interest and an abused office. Insider abuse, on the other hand, is seen by Gup as a technical term that:

refers to a wide range of misconduct by officers, directors, and insiders of financial institutions committed with the intent to enrich themselves without regard for the safety and soundness of the institutions they control, in violation of civil banking laws and regulations, and perhaps also in violation of criminal banking laws (7).

Both frauds and insider abuse are closely related; they both connote unethical behaviour geared toward promoting monetary personal gains against the interests of other parties: employers, customers, the society. These unethical behaviours reveal the weakness in the moral character strength and the level of greed and selfishness of a vicious professional banker.

Ogechukwu, citing Boniface, identifies some of the demonstrations of fraud among professional bankers to include the following unethical practices and behaviours:

- Suppression of cash/cheques.
- Computer fraud takes the form of alteration of the programmes or application packages or bursting into the computer system through remote sensors. Diskette or flash drives can also be tampered with by bank employees, so as to gain access to unauthorized domains or give credit to accounts for which the funds were not intended. This kind of fraud can remain undetected for a long period of time.
- Diversion of the fund by bank staff. Here the bank staff diverts customers' deposits and loan repayments, taps customers' funds from the interest in suspense accounts from the banks.
- Cash thefts from the Tills and ATM machines by banks staff, or with connivance by the bank staff.
- Stuffing of fake/counterfeit currency notes in ATM machines by bank employees.
- Forgeries of customer's signatures with the intention of illegally withdrawing money from the account with the bank.
- Using forged cheques to withdraw money from customers' accounts.
- Opening and operating of fictitious account to which illegal transfers could be made and false balances credited.
- Claiming overtime for hours not worked.
- Lending to fictitious borrowers affected through fictitious accounts opened at a branch of the bank (39).

These acts of fraud committed by professional bankers are an abuse of the trust and confidence the employers, customers, and society reposes in professional bankers. The factor responsible for fraud and insider abuse in the banking profession is a lack of moral integrity, honesty, and character-friendliness (character and virtue) on the part of the professional bankers. Unarguably, frauds in the banking industry are one of the main threats to the survival of banks in any nation.

Many cases of distress in the banking sector in Nigeria are traceable to fraud and insider abuse. These acts have brought untold hardship to many families. Moreover, incessant frauds in the banking industry are leading to the loss of stakeholders' trust and confidence in banks and bankers.

In Section 13 of the *Annual Report 2019* of the Nigeria Deposit Insurance Corporation (NDIC), thirteen (13) types of fraud channels/instruments were identified in the Nigerian banking industry:

- ATM/Card-Related fraud,
- Web-Based (Internet Banking) fraud,
- Fraudulent Transfers/Withdrawal of Deposits,
- Suppression of Customer Deposits,
- Fraudulent Conversion of Cheques,
- Presentation of Stolen Cheques,
- Presentation of Forged Cheques,
- Outright Theft by Staff (Cash defalcation),
- Unauthorized Credits,
- Outright Theft by Outsiders/ Customers,
- Foreign Currencies Theft,
- Diversion of Bank Charges (Commissions & Fees), and
- Lodgment of stolen warrants.

In the same report, a total of 52,754 fraud cases were reported in 2019, as against 37,817 and 26,182 in 2018 and 2017, respectively. It is surprising to note that during the year under review according to the report, a total of 835 bank staff were involved in fraud and forgery cases in 2019 a slight decline from 899 in 2018 (<https://ndic.gov.ng>). This report shows that bank fraud and forgery cases are on the increase and this revelation shows the extent of the deficit in the moral character account of these vicious bankers. A virtuous professional banker with strong moral character does not live with what is unethically popular, but what is principled because he/she knows that you can be trusted if you lack moral character. But vicious professional bankers lack the virtue of honesty and integrity needed for the banking profession. Unethical practices and behaviours negatively affect the vicious professional bankers themselves, the bankers' employers, customers, the banking profession, the nation's economy, and society as a whole. Hence, unethical practices and behaviours do not only erode public confidence and trust in the banking profession, but also have a negative impact on the stakeholders (employers, bankers,

customers, and the public) in the banking industry.

The foundation for trust is the virtue of honesty and integrity. A hallmark virtue of any profession is that its members act with integrity. In entrusting their monies to a bank and bankers, the customers are relying upon both the professional competence of the professional bankers managing the bank and the integrity of the professional bankers not to abuse their position – “a position not only of holding the money but also of possessing significant expertise and information not held by depositors” (Cowton 329). There is no doubt that depositors, banks, and society can be harmed both by technical incompetence and by a lack of moral integrity (character). Professional bankers are well cognizant of the significance of honesty and integrity for generating trust in the banking profession. To this end, Lynch opines that “since its earliest beginnings banking have been perceived as a business which depends on mutual trust and personal integrity” (3). The virtues of honesty and integrity are critical in banking to generate the trust that is fundamental for banking business and profession to flourish. It is essential that depositors trust banks and bankers, otherwise there is no money to lend. Hence, the foundation of the banking profession is moral character. Professional bankers cannot separate the issue of trust from their professional calling and the foundation for trust in the banking profession is the character and virtues of honesty, integrity, fairness, trustworthiness, truthfulness, moral courage, and character-friendliness.

Professional bankers with strong moral character and virtues of honesty, integrity, fairness, trustworthiness, truthfulness, moral courage, and character-friendliness will resist pressure to compromise their ethical values, principles, and moral conviction, no matter where the pressure is coming from: employers, colleagues, superiors, clients/customers, or anywhere else. These virtuous professional bankers will take steps to avoid unethical practices and behaviours. A virtuous professional banker will avoid conflicts of interest or, where this is not possible, declare these conflicts clearly and do their utmost to avoid improper influence. Moreover, a virtuous professional recognizes the nature and value of character-friendship. The credibility of any ethical theory rests importantly on its capacity to

recognize great human goods, such as friendship. A professional with good character will be able to identify moral dilemmas and find the best way to resolve them in a way that benefits the most people: clients, employers, and the public. Aristotle's ethics, by emphasizing moral character and virtues rather than rules, will help train a professional banker to act under the pressure that moral dilemmas bring forward. For professional bankers to restore, maintain, and sustain public trust and confidence in the banking profession and the banking industry in Nigeria, they must instill, imbibe, and cultivate the moral character and virtues of honesty, integrity, fairness, trustworthiness, truthfulness, moral courage, and character-friendliness.

CONCLUSION

We have attempted within the limited scope of this paper to demonstrate the practical utility of Aristotle's ethics to the banking profession. The results of unethical conduct in the banking profession include the following but are not limited to: loss of revenue, loss of customers' trust and confidence, loss of employment, and facilitation of banks distress. Professional bankers and banks are not only expected to operate professionally, but ethically so that the general public would have confidence in the banking industry. In situations of possible conflict, professional bankers need to balance the commercial pressures of the business environment with the need to treat people fairly, be friendly and act with integrity. In order not to give up character and virtue on the altar of "targets", unethical behaviour, and self-centeredness, there is a need for the Aristotelian approach to professional ethics. So, what is the Aristotelian approach to professional ethics? What are its prime features? The Aristotelian approach to the subject would highlight such terms as "excellence of character", "goodwill and care of friends", "Flourishing human life", "generosity of benefactor", and "good life".

Trust is the foundation of the banking profession and the foundation of trust is the virtues of honesty and integrity. Bankers cannot earn the trust and confidence of the public in the banking profession without moral character and virtues. Vicious acts and unethical behaviours by professional bankers are detrimental to the banking profession, banks' customers, banks' survival, and the nation's economy, but virtuous acts such as honesty, integrity, fairness, trustworthiness, truthfulness, moral courage, and

character-friendliness, on the other hand, by professional bankers are beneficial and necessary to the banking profession, banks' customers, the banking industry, and the nation's economic growth and development.

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