

THE WHO, WHAT, WHERE, WHEN, WHY AND HOW OF TEACHING “CATHOLIC” BUSINESS ETHICS AT A “CATHOLIC” UNIVERSITY

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Abstract

Colleges and universities, particularly Catholic and other private schools, are striving to refine and renew their mission and identity in this rapidly changing world, while simultaneously trying to help students and society to discover their own. Catholic colleges have a rich and enduring heritage of providing moral formation and ethical education as two ways among many to fulfill their mission and to help others determine and pursue theirs. This tradition has been extended to the relatively recent discipline of business education - business ethics in particular. It is within this societal and institutional context that this paper endeavored to answer some of the most basic questions about teaching business ethics at a Catholic University – the who, what, where, when, why and how of teaching “Catholic” business ethics at a “Catholic” university. The answers were pursued with professors and students through surveys, interviews, and model courses . The abbreviated and general conclusion is that a team of professors familiar with CST (the who) should teach a distinctly Catholic business ethics course in the business school as well as in the philosophy and theology departments (the where) that exposes undergraduate seniors and graduate students (the when) to CST (the what) through integrative, experiential and collaborative learning methods (the how) in order to advance the mission of the Catholic University and the Catholic Church (the why). The various approaches to Catholic business ethics revealed some overlap or continuity among the different questions and answers, with an ultimate focal point being the intellectual, ethical, spiritual, and relational development of the students.

Key Words: Catholic Social Teaching, business ethics, higher education

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Introduction

An identity crisis is encompassing the world. Politics, religion, business, media, medicine, education, and athletics have all experienced scandals to varying degrees. Combine this with globalization, scientific advancements, environmental upheaval, migration patterns, and the exponential rate of change in so many facets of life, and humanity seems to be caught in a vortex of liminality, uncertainty, and ambiguity. Concern over these developments are paradoxically matched and surpassed by the sense of opportunity, hope, and advancement that they engender. Individuals and organizations alike are searching for ways to redefine who they want to be, what they want to do, and what is right and wrong.

Colleges and universities,¹ particularly Catholic and other private schools, are similarly searching to refine and renew their mission and identity in this rapidly changing world, while simultaneously trying to help students and society to discover their own. Catholic colleges have a rich and enduring heritage² of providing moral formation and ethical education as two ways among many to fulfill their mission and to help others determine and pursue theirs. This tradition has been extended to the relatively recent discipline of business education - business ethics in particular.³

It is within this societal and institutional context that this paper endeavored to answer some of the most basic questions about teaching business ethics at a Catholic University – the who, what, where, when, why and how of teaching “Catholic” Business Ethics (**CBE**) at a Catholic university. The authors pursued the answers by surveying and interviewing professors and students, as well as developing and teaching a Catholic business ethics course. This paper articulates in more detail the various responses and conclusions surrounding (and mostly supporting) the teaching of “Catholic” Business Ethics at a “Catholic” university.⁴

Questions Addressed

The *who, what, where, when, why, and how* of teaching Catholic business ethics at a Catholic university were rearranged and broken down accordingly:

- 1) **What** is Catholic Business Ethics? looks closer at the meaning of “Catholic” in relationship to higher education, business ethics education, Church, and social teaching.
- 2) **Why** teach Catholic Business Ethics? explains the justification for a specific course.
- 3) **Who** should teach (and be taught) Catholic Business Ethics? considers the professional and religious background most desirable for teachers and students in such a course.
- 4) **Where** should Catholic Business Ethics be taught? investigates whether to place such a course in the philosophy, theology, or management department.
- 5) **When** should Catholic Business Ethics be taught? takes a very brief look at what year in the curriculum might prove most beneficial for achieving the goals of teaching Catholic business ethics?

6) *How should Catholic Business Ethics be taught?* describes various approaches to integrating Catholic components into a business ethics course before offering some suggestions from a prototypical class.

The abbreviated conclusion to the questions *in totum* is that professors (ideally a team) familiar with Catholic Social Teaching (the who) should teach a distinctly Catholic Business Ethics (CBE) course that exposes undergraduate seniors and graduate students (the when) to Catholic Social Tradition as applied specifically to business concerns (the what) through integrative, experiential and collaborative learning methods (the how) in order to advance the mission of the Catholic University and the Catholic Church (the why) in the business school, as well as in both the philosophy and theology departments (the where). The various approaches to Catholic business ethics revealed some overlap or continuity among the different questions and answers, with an ultimate focal point being the intellectual, ethical, spiritual, and relational development of the students.

Methodology

In order to determine some primary principles and a fundamental framework for teaching “Catholic” business ethics at a Catholic University, this paper investigated business ethics courses at various institutions, within different departments, and among diverse professors. The authors searched for these answers by surveying and interviewing professors, reviewing syllabi, analyzing course offerings, developing and teaching the courses, and surveying students. A total of twenty (20) faculty members were interviewed, 10 who have taught some aspect of Catholic Social Teaching as it relates to business issues and 10 other faculty members who have taught Catholic Social Teaching with any focus. Two professors had actually taught a business ethics course in philosophy, theology, and management. We also looked at course descriptions and syllabi from Catholic and non-Catholic (private and public) schools with some degree of enrollment (large, medium, small) and geographical (located in the East, Midwest, South, and West) distribution.

Research Background

Of course, this is not the first study, investigation, or class of its kind. Theology, philosophy, business, and other disciplines have pursued Catholic Social Teaching and Business Ethics from a variety of vantage points. Efforts to compare and integrate the two, although more recent, are also quite numerous and equally diverse with macro, micro, theoretical, and applicative perspectives.⁵ For example, Naughton and Bausch (1996) bring Catholic mission and identity into conversation with business education through the four integrating dimensions of liberal education, faith, profession, and service.⁶ Barrera (2000) used the Catholic “social principles as a framework for ethical analysis.”⁷ Kidwell and Kidwell (2006) explained certain conditions that optimize the teaching of Catholic social doctrine in business courses.⁸ Whitmore (2000) suggested an experiential and dialectic approach to teaching CST.⁹ Cassidy (2006) described his hands on “*Pedagogy for Integrating Catholic Social Ethics into the Business Ethics Course*.”¹⁰ Rae and Wong (2004) even offer a textbook on business ethics from the Judeo-Christian perspective.¹¹ Philosophers have always recognized the role that religious principles or values play in ethics, business ethics or otherwise.¹² Managers and social psychologists have

researched how religion and/or spirituality might impact workplace performance,¹³ leadership,¹⁴ and organizational culture,¹⁵ while mainstream media has popularized it.¹⁶ And let us not forget John Paul II (1990) who arguably inspired this whole field of study through *Ex Corde Ecclesiae*.¹⁷ The paper now looks more closely at each individual inquiry, integrating the previous research where most helpful to contextualize, compare, contrast this article's findings.

WHAT is “Catholic” Business Ethics at a Catholic University?

In the most basic sense, “Catholic” Business Ethics (**CBE**) integrates “Catholic” principles and perspectives into the description, analysis, and judgment of business actions and policies. Professors and authors consulted seemed to use Catholic principles and perspectives as part of a traditional business ethics framework - an applied ethic in that moral principles are applied to the entities, activities and relationships involving goods and services in coming to a determination about the rightness or wrongness of businesses activities, policies, and relationships – and even of the business itself.¹⁸ The dominant source for the Catholic principles and positions that were applied to various business issues seemed to be the rich heritage of Catholic Social Teaching (CST),¹⁹ philosophical reasoning, and to a lesser degree experiential knowledge.²⁰ More precisely, business ethics usually includes three dimensions - 1) description, 2) analysis, and 3) judgment about business actions or policies.²¹ Different ethicists and professors may stress a different part within their business ethics framework or class, but essentially all three seem to exist in some form. For example, it appeared that philosophers and theologians stressed description and analysis, while managers clearly emphasized the final judgment and implementation.

Catholic Business Ethics

Catholic Business Ethics appears to be situated within a broader Catholic educational framework that includes (in ascending order of breadth) Catholic Social Teaching, Catholic Social Thought, Catholic Social Tradition, and Catholic Intellectual Tradition (see Figure 1).²² Many seemingly disparate concepts are brought into relationship in the Catholic educational process - faith and reason, skill and knowledge, and job and vocation - among others.²³ The term “integration” is often used to describe the desired dynamic or interrelationship between these competing concepts – which seems a better term than “educational incarnation” or “living hypostasis.”²⁴ It seems that Catholic Business Ethics education, similar to the human person, will only realize its full potential within the context of a much broader liberal education, of science and technology, of philosophy and theology, of sociology and psychology, of engineering and mathematics, of history and politics, of literature and art, of media and music, and of sports and drama. Only through a more comprehensive use of curricular colors will the college canvas reveal its full educational beauty.

What exactly should a Catholic Business Ethics course cover and do? This article places that response within the HOW to teach business ethics, hoping to connect the ideology and pedagogy more succinctly. In brief, the key themes of Catholic Social Teaching, the fundamental principles of philosophical reasoning, and the different dimensions of human experience would be brought to bear on business issues – comparing, contrasting, and

coordinating their insights in an effort to advance the intellectual, moral, spiritual, and relational development of its moral agents and subjects. That is Catholic business ethics in a nutshell.

*A Catholic University*²⁵

Roman Catholicism (and the Catholic Church), like other religions, is organized around a creed of fundamental beliefs, a code of moral directives, a cult of ritualistic practices, and a community of institutional relationships.²⁶ More fundamentally, Catholicism is a dynamic organizational construct of creed, code, cult, and community through which the human person encounters and relates with the God of creation as revealed and experienced in the person of Jesus Christ, and shared in part through the gift of the Church and the Holy Spirit.

Catholic Universities, as an extension of the Catholic Church (as the spouse of Christ) and thus a locus of the presence of Christ, facilitate an encounter and relationship with Christ. Ideally, everyone connected to the University facilitates an encounter with, experience of, and relationship with Jesus Christ. So the relationship with Christ is nurtured by all university employees, faculty, administrators, and staff, and all university stakeholders, employees, students, alumni, dependent businesses, local community and so forth – acting as companions or disciples of Christ (with adoption of the respective beliefs, behaviors, and relationships inherent in Catholicism varied to the extent along a continuum). In the simplest sense, all the Catholic university is required to do is help the university community members encounter Christ. Pope Benedict XVI, speaking to the Catholic educators in the United States said, “First and foremost every Catholic educational institution is a place to encounter the living God who in Jesus Christ reveals his transforming love and truth.”²⁷

Before running away in fear of pushy prosletization or pious platitudes, one should remember that “catholic” also means universal (from the Greek *kath holos* – through the whole).²⁸ Catholicism is designed to be inclusive, not exclusive; diverse, not homogeneous; and communal as opposed to isolated. Thus Catholic Business Ethics must engage the larger learning community with a certain openness and interactivity without comprising its distinctive characteristics. Catholicism is rooted in a sacramental and incarnational perspective of life and the world that believes this Jesus Christ and this God of life can in fact be encountered in all things – including the intellectual life and personal relationships. Believing that Christ is truly present in creation, in people (especially the poor), in knowledge, in scripture, in sacraments, in love, and in the Church, the Catholic university fulfills its mission by assisting encounters with each of the above within its classrooms, activities, functions, organizations, and of course its students and other stakeholders. Thus, from the strategic plan of the university down to the learning objectives and activities in a business ethics course, the Catholic identity and mission are being fulfilled to various degrees as long as genuine and authentic encounters with creation, people, knowledge, scripture, sacraments, love and the church are occurring.

In a manner similar to the way Jesus Christ reconciled the rupture in our relationship with God, so should Catholic education repair the current breach in American society between the sacred and the secular, church and state, and faith and reason. We have created a dualistic life framework that leads to either-or choices that impair human development instead of advancing it. The specialization and compartmentalization has been occurring in education and business for

years, finally leading to stagnation, and possibly degeneration, of the moral man – despite some incredible technological advancements.²⁹ Ortega y Gasset noted this danger as early as 1930, believing the arrogance and limitations resulting from specialization blinded the specialist from the wisdom and morality ascertained through broader and integrated knowledge and understanding.³⁰ Instead of specialization leading to human development, Gasset believed that it actually increased the risk of human demise. This pessimistic perspective almost proved true 15 years later with World War II. *Gaudium et Spes* reiterated this concern, identifying the “split between the faith which many profess and their daily lives” as a “more serious error of our age.”³¹

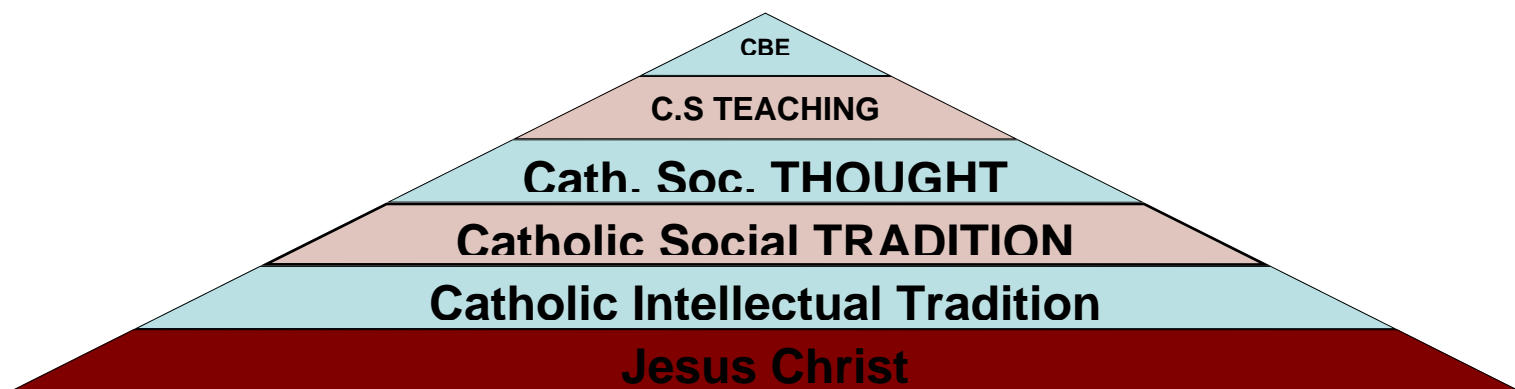
The dualistic tendencies of our modern age lend themselves to similar concerns in both business and education. Catholic education has the responsibility of removing this perspective of polarities, replacing it with an understanding of creative and complementary tension – that holds things in balance, creating synergies that advance human knowledge and well-being. Pope Benedict XVI calls this the “unity of knowledge” that promotes both the unity of the church and the unity of society.³² The Pontifical Council for Justice and Peace characterized this interrelationship between all academic disciplines with Catholic Social doctrine as “in friendly dialogue with all branches of knowledge.” The Pontifical Council elaborated:

*76. The Church's social doctrine avails itself of contributions from all branches of knowledge, whatever their source, and has an important interdisciplinary dimension.*³³

*78. ...This attentive and constant openness to other branches of knowledge makes the Church's social doctrine reliable, concrete and relevant.*³⁴

Catholic Business Ethics at a Catholic university can play a significant role in the integration of disciplines and of people. One must remember that Catholic universities are “born from the heart of the church” (*ex corde ecclesiae*).³⁵ A Catholic University “is dedicated to the research [and communication] of all aspects of truth” precisely because such search inevitably leads to the source of all truth (the “Supreme Truth, who is God”).³⁶ Each academic discipline serves this search for truth by advancing its area of knowledge. Ideally, the link between knowledge from any field of study and its contribution to Catholic faith is easily articulated and understood. However, history tells us that it often takes years and centuries to make that connection. The Catholic university functions to advance the “unity,” “integration” and “higher synthesis of knowledge,”³⁷ and Catholic Business Ethics does so in an especially effective way.

Catholics profess that in the person of Jesus the divine and human natures came together, with each retaining their essence, in a mystical union that revealed the truth of humanity, of God, of life, and of their interrelationship.³⁸ By analogy, the different academic disciplines come together to form one revelatory body of knowledge and truth, without any discipline losing its uniqueness. The Catholic university serves as the locus for this academic “hypostatic” union – and the body of Christ in its own unique way. Or better yet, Catholic Business Ethics at a Catholic university serves as the source and setting for the student to develop into the more fully integrated and glorified person of their destiny (intellectually, spiritually, morally, interpersonally).



WHY Teach “Catholic” Business Ethics at a Catholic University?

As indicated above, Catholic business ethics should be taught because it is one way for the university and the business school to renew and fulfill their mission and to help others discover and pursue theirs.

Catholic Business ethics **fulfills its mission** as an arm of the Catholic Church since it cultivates an educational experience in which “faith and reason bear harmonious witness to the unity of all truth.”³⁹ *Ex Corde Ecclesiae* called upon professional schools, including business schools, “to include an appropriate ethical formation in that profession” which necessarily includes “formation in moral and religious principles and the social teachings of the church.”⁴⁰ The Church has called colleges and universities to renew their Catholic character and identity by educating students in a way that includes CST.⁴¹

Each individual Catholic college has its own unique mission statement, rooted in the Catholic tradition, but articulated in a manner befitting the respective school’s founding charism and distinctive characteristics and talents. For example, the Loyola Marymount Mission and Goals Statement lists a three-fold mission that includes “the encouragement of learning, the education of the whole person, and the service of faith that does justice.”⁴² The last prong on faith and justice is a purposeful reference to its Jesuit heritage, while other sections associate more clearly with the Catholic tradition.

In an effort to identify possible common motivations and objectives, Kidwell and Kidwell (2006) “examined the mission and/or visions statements of thirty-six AACSB-accredited Catholic business schools.”⁴³ Terms like *ethics, values, justice* and *social responsibility* were mentioned in some form in all but five of the schools.⁴⁴ We took another look at approximately 100 Catholic universities (varied by region and size), comparing the overall University mission statement to the articulated mission of their respective college of business. We also ranked the Catholicity of the stated mission as strong, moderate, or weak.⁴⁵ We found that *leadership, global, community, service, and environment* were additional words or themes quite prevalent in the majority of mission statements of the university and its business schools. We found approximately 34 with strong Catholic statements, 57 moderate, and only 9 that seemed weak. For example, one of the strongest was the University of San Diego (USD) with Catholic Social Thought as one of its new Strategic Directions Initiatives. Loyola University of Chicago exemplified the moderate mission, emphasizing its Jesuit heritage a bit more than its Catholic

identity. USD's Diocesan origins may explain in part its stronger emphasis in that regard. One of the weaker Catholic mission statements was probably one of the strongest as to its religious heritage, obviously choosing to focus on the latter almost to the exclusion of its Catholic connection.⁴⁶ Every single business school's mission statement paled in the clarity of its Catholicity compared to its university's overall mission statement. Lastly, the dearth of overtly religious words like God and Jesus was quite noticeable in most statements.

Catholic Business Ethics also should be taught in Catholic Business Schools because it facilitates accreditation with AACSB – the International Association to Advance Collegiate Schools of Business. AACSB currently uses its “mission-linked accreditation standards” to assess a school's “mission appropriateness.”⁴⁷ According to AACSB guidelines Catholic Universities improve their prospects for accreditation the more they manifest their Catholic identity in their research, teaching, and programs.⁴⁸ The same is true for a school's emphasis on ethics.

The new standards reaffirm the importance of ethics education for business graduates and emphasize its position among curricular requirements. The Committee gave ethics education more prominent placement in the standards to make clear the Association's belief of its importance in business education.⁴⁹

Most universities are following this trend, motivated in part by cultural events, accreditation, and internal motivations.⁵⁰ The post-scandal era has opened many new doors searching for answers and remedies to avoid such events in the future. The increased interest in workplace spirituality and the link between religion, values, business, and ethics at all levels (professional, personal, academic) is observable in the recent number and type of popular books, research articles, magazine covers, seminars, courses, and workplace trends on the subject. The integration of religiosity into ethics via CST may in fact improve ethical decisions and actions,⁵¹ support the mission, and help with accreditation all in one movement. Thus, the link between religion/spirituality and business continues to grow and the teaching of Catholic Business Ethics becomes a win-win situation on a few fronts.

Returning to the Catholic college mission statements, common themes surfaced, namely: 1) the development of intellectual abilities and professional skills, 2) the ethical and moral development that manifests itself in some form of service to others and larger society, and 3) the multi-dimensional development of its students (e.g., intellectual, spiritual, moral, and relational). All of these goals and the relative missions are arguably furthered through the teaching of Catholic business ethics. One last subtle observation was the degree to which the Catholic mission statements were person focused (students, relationships, community) in comparison to the goal oriented statements (success, influence, training) of their public counterparts. This arguably reflects a major theme of CST – labor is for the benefit of the worker, not the worker for labor.⁵² We are subjects, not objects, persons, not things, ends, not means.⁵³

Thus, another answer to the why is the who – our students (and other related stakeholders). Despite the verbiage, the above three components commonly found in Catholic university mission statements are not so much traits or skills to be acquired, but rather descriptors of the type of person we hope our students become. The intent here is not to enter

into the chicken and egg argument among ethicists between character formation (values) and intellectual development (reason), but to emphasize that no matter the means, the ultimate goal and focus of Catholic education is the human person – the student created in the image and likeness of God, however faintly visible, and a contributing member of society, however slight.

These same students will play a significant role in the formation of world values in this global economy. Christian morality clearly influences part of American business ethics, which in turn further influences global ethics because of the prominent role American business occupies in the global market. The sheer numbers alone support this position since 75% of the United States identifies itself as Christian as does 1/3 of the world population. Furthermore, there are over 1,000 Catholic Universities in the world, and 241 in the United States, which are educating over half a million students at any one time to add to the many generations of alumni they have ushered into society and the workplace (Catholic and non-Catholic alike). The Catholic Social Tradition and Teaching in all its dimensions (intellectual, spiritual, social, scriptural) should continue to provide educate its students with a Christian ethic, which in its amenability and importance has much to offer in helping to develop young people who will influence the United States and the world for the better. Thus, the why of Catholic Business Ethics, Catholic Education, and Catholic Universities leads to a very related question: WHO should teach (and be taught) Catholic business ethics?

WHO should teach (& be taught) “Catholic” Business Ethics at a Catholic University?

“Filled with compassion...he began to teach them many things” (Mk 6:34).

The **model teacher** would of course be Jesus himself. Although a daunting exemplar, Catholics believe that, with grace, people can in fact act *in personi Christi* as the body of Christ (and his hands and words). Jesus taught, he healed, he listened, he forgave, he loved, and he shared table fellowship. Each of us is capable of embodying these attributes in our role as teacher day in and day out. The display of simple understanding when a student is overburdened instead of responding with draconian rigidity leaves a lasting and favorable impression. Working with the students on their projects and papers as a helper and mentor, rather than a task master or dictator provides an alternative model of leadership for students to adopt in their professions. Catholic virtues include prudence, temperance, understanding, compassion, mercy, and kindness. The classroom provides the perfect environment for professors to model virtues that will hopefully be adopted and embraced by their students. The human person is quite imitative in many ways and the influence of role-models and leaders on ethical behavior is well-documented.⁵⁴ The teacher balances roles as a conveyor of information and a *formatore* of character and values.

Must the professors be Catholic to fulfill this role? Kidwell and Kidwell (2006) surveyed catholic and non-catholic business professors from catholic and non-catholic schools regarding general ethics and Catholic social teaching.⁵⁵ As to ethical perceptions and perspectives, they found very little difference between Catholic and non-Catholic professors or between professors from Catholic and non-catholic schools.⁵⁶ As to the use of CST in classes, the most important variable was whether the faculty member thought CST **relevant** to its subject, which in turn was determined in part by the teacher’s **familiarity** with CST, which was determined to an even

smaller degree by their own identification with Catholicism.⁵⁷ The Catholic culture of the school would influence the degree of use of CST, but only if the relevancy and familiarity with CST existed, regardless of the personal faith.⁵⁸ Faculty who are unfamiliar with CST or its relevance even tend to resist the use of CST in their courses.⁵⁹

The sponsors of the study acknowledged that the strength of affiliation with the Catholic Church should have been measured to more accurately assess the differences between Catholic and non-Catholic in their use of CST.⁶⁰ Fortunately, other scholars took it upon themselves to pursue that theory, finding that religious commitment or intensity (and especially evangelism) correlated to higher levels of ethical sensitivity, judgments and actions.⁶¹ Combining the two studies, it seems safe to assume that Catholics with higher religious affinity will be more likely to know and use CST. Our interviews support previous research that practicing Catholics who teach business ethics – no matter what their background or department - have greater familiarity with Catholic Social Teaching, its implications for current business issues, and its possible use within the classroom.⁶² Catholic professors with theological backgrounds tended to have greater awareness of CST, but less familiarity with its business implications.

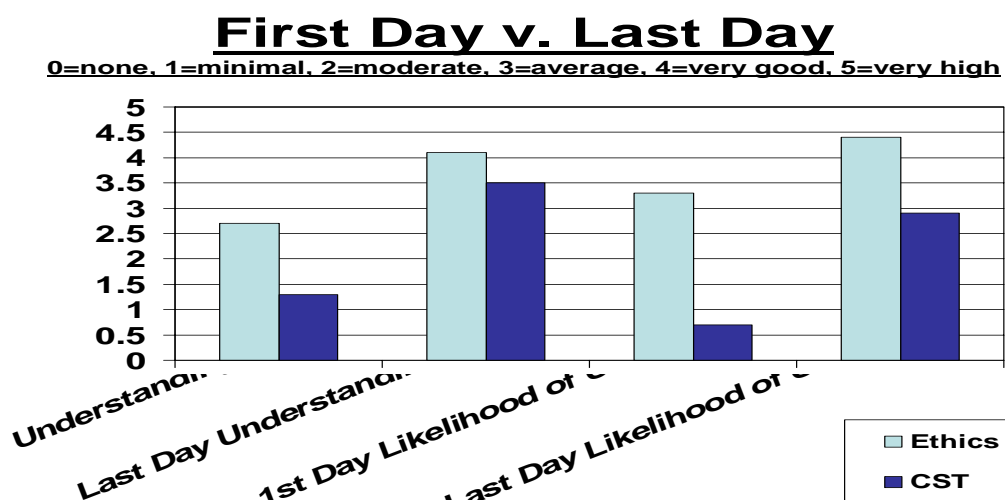
Due to the importance of familiarity and relevance of CST in determining its actual use in business courses, Kidwell and Kidwell (2006) recommended that efforts be made to improve both in faculty through formation and education. The administration could address this by: 1) hiring for mission (hiring professors with educational backgrounds in CST and business), 2) by providing seminars or continuing education to help faculty grow in awareness of CST's relevance to various disciplines, 3) by looking to cross-discipline and team-teaching courses to bring out the connections, and especially 4) by supporting research agendas and course development that would increase both the needed familiarity and relevancy.⁶³ The cultivation of Catholic culture in the university community should go beyond the traditional orientation programs to include ongoing socialization, enculturation, and formation. Everyone, even those most familiar with CST, could benefit from ongoing education about its current relevance and applicability. Should the university promote Catholic identity activities by rewarding it in the tenure and promotion review process? Many theology professors fluent in CST have taught business focused classes. They could be a valuable resource to the university in a variety of capacities – mentor, teacher, organizer and *formatore*. This actually anticipates our upcoming question – where (what department – philosophy, theology, or business) would be the best location to offer Catholic Business Ethics? But first, we detour for a moment to ask who should be taught Catholic Business Ethics?

What is a Model Student Profile for CBE?

Again, a seemingly innocuous question branches off into categories of Catholic versus non-catholic students, business versus non-business students, and should it even be limited to students (what about staff, alumni, faculty, local business, the Catholic Church, etc.).⁶⁴ Students were surveyed at the beginning of the course to self-assess their 1) level of understanding/familiarity, 2) ability, 3) view of relevance/importance, and 4) likelihood of use of both ethics and CST. They were then asked the same questions on the last day of class. Because it was anonymous, we asked that they identify their religious affiliation and intensity. The scale for all questions were 0=none, 1=minimal, 2=moderate, 3=average, 4=high, 5=very high.

A quick review of the findings supported the following (see figure 2 also):

- 1) Student understanding of ethics (average 2.7) was higher than the same for CST on the first day of class (1.3). Cassidy (2006) similarly noted the students (Catholic and non-Catholic alike) general lack of familiarity with CST at the beginning of class.⁶⁵
- 2) Both their understanding of ethics (4.1) and CST (3.5) averaged higher on the last day of class (thank God), but was still higher for ethics, with improvement comparable.
- 3) The students' ability to use ethics (2.4) and CST (.9) on the first day grew to levels similar to their understanding, except that the relative increase for CST (2.5) was greater than that for ethics (1.8), even though their overall level was lower (CST 3.4 and ethics 4.2).
- 4) Compared to how the students viewed the relevance and importance of ethics (3.2) and CST (1.3) on the first day, they grew for both ethics (4.2) and CST (3.5) by the end of the year.
- 5) Their likelihood of use saw the biggest initial difference with ethics at (3.3) and CST at (.7), while on the last day it was ethics (4.4) and CST (3.3).
- 6) Catholics (especially with higher religious intensity) were more likely to use CST at the end of class.
- 7) A small group of students wanted more management and ethics ("I did not want another religion course"), while another small group wanted more CST (specifically scripture). The comments seemed to indicate this perspective was influenced by their initial expectation of the course as a "business" core course, a "Catholic" Studies course, or as a "less traditional" approach to business ethics (it was in fact all three – even being cross-listed for registration purposes). The common desire was to spend more time with real cases in specific areas.



Early recommendations would be: 1) to use cases that lend themselves more easily to a full Catholic Business Ethics analysis, which allows for both business and CST perspectives, 2) to explain the connectivity between business, ethics and CST very early, and as the diversity in

our schools increases, such courses should 3) show the link more clearly with other faith traditions.

WHERE should “Catholic” Business Ethics be taught within a Catholic University?

The original title for this paper was *Catholic Business Ethics: Philosophy, Theology or Management?* That working title reflected the hope of discovering the academic department and discipline best suited for a course on Catholic Business Ethics – as well uncovering some of the varied and best practices from those different disciplines.

There are 241 Catholic Universities in the United States,⁶⁶ of which approximately 150 have business schools (90 some MBA programs), which is less than 10% of the 1600 business schools in the United States.⁶⁷ Catholic Universities are educating over half a million students at any one time, let alone the generations of alumni they have ushered into society and the workplace. These numbers dissuade us from suggesting that Catholic Business Ethics be offered solely in the business school or college of liberal arts at the risk that many students would be denied the opportunity to attend an invaluable course.

We did our best to investigate how many universities (primarily Catholic Schools, but with small samples of other private and public colleges also) teach Catholic Social Teaching, how many teach Business Ethics (and in what departments each is located), and how many involve service learning in either. 71% of Catholic universities offered business ethics, 41% CST, and 14% service learning. All the CST courses except 2 were offered in theology or religious studies departments. Meanwhile, business ethics courses were split between philosophy and business almost exactly, with three examples of it offered in theology. The 71% was slightly below the AACSB average of 78% of accredited schools offering a full ethics course.

We also asked professors, administrators and students where they would suggest these courses be located. This proved to be one of the more interesting inquiries and debates with everyone having very legitimate positions. The arguments for situating the course in the philosophy and/or theology department are to provide the larger student population access to such an invaluable course, to have it taught in an environment more critical of business, and to focus on foundational philosophical and theological principles that apply to all aspects of life – including and beyond business since ethics is a major branch of philosophy and an essential component of any religion. The primary concerns about teaching business ethics outside the business school is that the critique will be overly prejudicial and unrealistically anti-business. A secondary concern is that the business students will not see it as integral to their business education – but rather one of those university core courses that “we have to take.” This veil of prejudice must somehow be removed by helping students to see the connections between Catholic Social Tradition, Business Ethics, and Liberal Arts Education.

The above concern is a primary argument in favor of situating the course in management – its integral nature to business education. There is some support for this, especially when the course is taken senior year as a possible capstone course, since it allows the students to integrate different areas of business knowledge into concrete problem solving. The decision-making focus

within management courses is a major strength of locating the class within the business school. The major concerns voiced were that the overly pro-business environment could neutralize the objective critical skills desired from a business ethics course. The other was the failure to properly address the philosophical and theological principles underlying ethical analysis.

We repeat the previous suggestions for faculty development to increase relevance to these areas regardless of where the final location of the business ethics course. We actually prefer that a Catholic business ethics course be taught in the business school so as to send the message that Catholic teaching is integrated into all aspects of life – including business. Such a course should, however, be made available to all students. There were suggestions about creating a major (or honors) and non-major offering. Another suggestion was to have one version in management and one for Catholic studies or theology. Ideally, instead of free standing courses in all three departments, we suggest a team-teaching approach that integrates more fully the different dimensions of Catholic Business Ethics. This could be a year long senior capstone course, a distinctive dimension of the catholic education. No matter which option, the hiring of gifted faculty who can bridge the various fields is quite important.

Catholic Business Ethics has trained good philosophers, good theologians, good managers, and good people. Again, the subject emphasized clearly fluctuated depending in which department the course was located. This seems acceptable, although we do recommend that management classes do more to help the students understand the underlying philosophical and theological principles. Similarly, we suggest that philosophy and theology departments do more to help the students link the fundamental principles with and apply them to relevant business issues. For example, liberal arts should help students apply the CSR principle of Care for God’s Creation, not just to the environmental issues in general, but to particular business issues like sustainable development, pollution, global warming, and recyclable designs.

WHEN should “Catholic” Business Ethics be taught in the Catholic University?

In addition to deciding in which department to place the course, questions arise about the optimal place for business ethics in the curriculum (and year of study). Cassidy (2006) referred to these and other aspects as **situational factors**. The professor’s and student’s familiarity with CST, the level of the course offering, elective or core course, and class size (suggesting 19-21) were listed among those situational factors.⁶⁸

Most research supports and AACSB recommends that ethics needs to be integrated across the curriculum as well as explored in concentrated courses.⁶⁹ Students overwhelmingly confirmed the need for business ethics (94%/4.5) and the option of Catholic business ethics (71%/3.8) – but not the need or requirement (19%/1.7) of the latter. Cassidy (2006) found 2/3 of his students reacted against a mandatory course, but the majority of students who chose the elective class found the Catholic dimension more attractive.⁷⁰ The student surveys indicated that ethics was appropriately emphasized within the curriculum, but with some inconsistency.⁷¹ The obvious question about how well Catholic principles were integrated across the curriculum was unfortunately left out.

Faculty disagreed over the adequacy of the current amount of ethics, but were at a loss as how to increase ethics in an already burgeoning curriculum. Some interesting suggestions included: 1) requiring an ethics course every year – one in philosophy, one in theology, one in business, and one elective in their major; 2) move beyond the classroom with service learning, residential learning communities, CLC's comprised of business students, Centers, Institutes and/or Chairs for Catholic Business Ethics;⁷² 3) a capstone or senior project that integrates a variety of disciplines in an thorough social, ethical, and economical analysis; and 4) extra-curricular clubs having a Catholic ethics focus (e.g., Catholic Values Investing). The two recurring themes were integration of Catholic thought with ethics and both with business analysis. Cassidy (2006) describes the "Model of Integrated Course Design" with shared inquiry as a method to achieve this integration.⁷³

Most CST courses, no matter what department offers them, seem to be upper level electives. The desire for the Catholic Business Ethics course to be somewhat integrative necessitates that some body of knowledge (e.g., at least an introductory level course in philosophy, theology, and business. The difficulty and expectations of the course seem to require at least these prerequisites. Like any course, the smaller the enrollment (15-20) the greater opportunity for interaction with professors and students alike, and flexibility in learning methods. Ideally, a Catholic Business Ethics Course could be offered as an integrative capstone course for upper level undergraduates, MBA, and even executive MBA students. It could even become the flagship course of the college of business, providing the university with a distinctive educational pedagogy in support of its mission that also gives it a competitive advantage. Some schools have developed majors and programs in business ethics, Corporate Social Responsibility, Sustainability, and Leadership, each perfect for including a CBE course.

However, the course should not be limited to business students. Such an approach would render it unavailable to many interested students outside of business directly (due to their major or their university's lack of a business school).⁷⁴ Some of the most qualified teachers will also be located outside the business school. Team teaching, cross-listing, and a business major and non-business major offering are suggestions for overcoming these challenges. We carried these themes with others into the development of our Catholic Business Ethics Course described below.

HOW should "Catholic" Business Ethics be Taught in the Catholic University?

The "how" of teaching Catholic business ethics varied of course in regard to "where" the course was located and the background of "who" was teaching it? Philosophers in the philosophy department clearly stressed philosophical principles, usually their origins and nuances more than their application. Theologians in the religious studies or like departments clearly emphasized the fundamental tenets of the Catholic Social documents with a surprising focus on the documents themselves. Business professors in management or like departments clearly focused on specific issues and decision-making – often on the results and justification more than principles and analysis. Another general observation was the macro nature of the philosophical and theological analysis contrasted to the more micro approach in management. For example, philosophical and theological business ethics addressed the role of the corporation in society, the strengths and weaknesses of the market economy and capitalism, and the role of

labor and the rights of workers in that economy. Meanwhile, managerial business ethics would approach similar topical areas by exploring business' Corporate Social Responsibility (CSR) plans, interaction and engagement in multinational operations, and specific employment issues surrounding discrimination and sweatshops. The bias in favor of business actually appears stronger in management than the comparable critical posture taken in philosophy and theology. This may be due in part to the defensive and apologetic tone required after years of scandals.

We look now at a sample course, which is more of a conglomerate of different approaches to teaching Catholic Business Ethics. The instructor/s will inevitably have to make choices about the breadth and depth of the material covered. We have actually asked for student input on the first day of class (both blank cards and list of topics) to help us decide what topics to cover, and more so, which to emphasize. Our course design, however, started with the overall **purpose and objectives of the course**, which we determined to be:

- 1) To increase students awareness of major ethical issues confronting business, their root causes, and possible solutions (and the role of business in all of these);
- 2) To help students improve moral reasoning skills whereby they can apply an analytical framework that includes a distinctly Catholic dimension (CST, scripture, discernment);
- 3) To increase students familiarity with, sense of relevance, and comfort with using CST (primary principles, underlying basis, relevance, application, documents);
- 4) To model with students a different and virtuous way of learning and working – kind, caring, collaborative, helpful, with a common purpose.
- 5) To enable students to engage vocation questions – spiritual and secular dimensions;
- 6) To help students encounter experiential learning with social issues (experience, reflection, analysis, communication, action);
- 7) To help students grow morally, spiritually, intellectually, and relationally (developing character, maturity, and leadership).
- 8) To help students grow in their understanding of and relationship with God and others through intellectual inquiry and experiential learning of business ethics with a Catholic dimension (ultimate **purpose** of course).⁷⁵

In accordance with AACSB and good pedagogy, we tried to develop methods and activities designed to promote the respective learning objectives. We also identified direct and indirect measures since they are needed to assess and substantiate the success of the learning objectives (again under both AACSB and teaching pedagogy for mission-driven education). Below (or Exhibit A) is the sample chart we designed to help in this quest.

<u>Learning Objectives/Outcomes</u>	<u>Methods/Activities</u>	<u>Measures (Direct/Indirect)</u>
<p>1) To increase students awareness of major ethical issues related to business, their root causes, and possible remedies (and the role of business in each)</p> <p>2) To help students improve moral reasoning skills whereby they can apply and articulate an analytical framework [that includes a distinctly Catholic dimension (CST, scripture, discernment)];</p> <p>3) To increase students familiarity with, sense of relevance, and comfort with using CST (primary principles, underlying basis, relevance, application, documents);</p> <p>4) To model with students a different and virtuous way of learning and working – kind, caring, collaborative, helpful, for common purpose and good;</p> <p>5) To enable students to engage vocation questions – spiritual and secular dimensions and interrelationship;</p> <p>6) To help students experience experiential learning with social issues (experience, reflection, analysis, communication, action);</p> <p>7) To help students grow morally, spiritually, intellectually, and relationally (developing character, maturity, and leadership).</p> <p>8) To help students grow in their understanding of and relationship with God and others through intellectual inquiry and experiential learning of business ethics.</p>	<p>1) IAR/TRE</p> <p>2) IAR/TRE Group Projects</p> <p>3) IAR/TRE Research Paper</p> <p>4) Group Projects Group work emphasis</p> <p>5) Personal and Professional Plan Discernment Exercises</p> <p>6) Service Learning</p> <p>7) Entire Class</p> <p>8) Entire Class</p>	<p>1) Ethical Issue Sensitivity Test/Comparison of early work to later papers</p> <p>2) First-class, Last-class questions Student Surveys/Observation of student work</p> <p>3) First-class, Last-class questions and Student Surveys/Observation of student work</p> <p>4) Student Surveys/Group Project Evaluations</p> <p>5) Student Surveys/Observation</p> <p>6) Service Learning Paper/Course Evaluations</p> <p>7) Ethical Sensitivity Exam, Spirituality Assessment/observation</p> <p>8) Student surveys/paper comments</p>

Course Topics

We next turned to the specific course topics and teaching methods that would help this Catholic Business Ethics meet its objectives. There is an overlap between the “what” and the “how” of Catholic business ethics because we hope to connect the ideology and pedagogy more succinctly. In brief, the key themes of Catholic Social Teaching, the fundamental principles of philosophical reasoning, and the different dimensions of human experience would be brought to bear on business issues – comparing, contrasting, and coordinating their insights in an effort to advance the intellectual, moral, spiritual, and relational development of its subject.

A review of syllabi and interviews revealed that course topics were grouped in one of three frameworks for addressing the material: 1) Catholic Social Teaching Principles and/or Documents, 2) Specific Ethical Issues, 3) or by Stakeholders. For example, the respective approaches might be: 1) the CST principle of human dignity would segue into discussion about sweatshops, 2) executive compensation would serve as a focus topic that would be analyzed through the lens of *Economic Justice for All*, or 3) a study consumers would lead to a consumer rights discussion with insights from *Laborem Exercens* – or simply major principles of CST. The different starting points will most likely effect the focus. The class may cover discrimination and then analyze it under CST, or cover the principle of Human Dignity and apply it to discrimination. The origin and focus do give the course a different flavor, tone, and emphasis. Some courses focus on the documents, their principles, with analysis and application. This seems to be the most challenging approach for business professors and the most comfortable for theologians.

Rerum Novarum, *Economic Justice for All*, and *Laborem Exercens* were the most assigned CST documents. Some courses relied primarily on commentaries like Himes, ed. (2005) *Modern Catholic Social Teaching: Commentaries and Interpretations* or a variety of independent articles. We actually utilized topical sections and quotes from a variety of documents, with a possible over-dependence on the *Compendium of the Social Doctrine of the Church* and *Economic Justice for All*. The availability of the documents and search tools on the web make this approach less labor intensive than it sounds. The use of scripture and the Catholic Imagination seem to be neglected, but desired methodologies.

The most common business topics were whistle-blowing, workplace diversity and discrimination, sweatshops, wages, the use of technology, environmental concerns, corporate social responsibility (especially on the local level), and the role of markets and government. The most repeated stakeholders addressed were employees, consumers, local community, and the environment. A traditional business ethics text, reader or articles provided the business substance.

Class Activities

Tell me and I will forget, show me and I may remember, involve me and I will understand⁷⁶ - Confucius, 450 b.c.e.

The integrative aspirations of the course led us to adopt a more experiential pedagogical framework. For every course topic listed, whether starting from stakeholders, business issues, or the CST principles, we suggest a three prong approach: 1) information, 2) image (example, explanation), 3) activity (experiential analysis).⁷⁷ As a simple example, basic data and descriptions regarding consumer rights were provided by both the professor and students assigned the topic of the day. Two important consumer rights are to information and to choice (info), which we address through visual examples of deceptive advertising and sales practices (image). The class then breaks down into small groups, among which the class redesigns the advertisement from deceptive to protective of the consumer rights, which they then show and explain to the class (activity). These three simple prongs seem to increase learning retention, application skills, and enjoyment.

The variety and creativity of assignments were quite impressive, a testimonial to the quality and dedication of the faculty who teach in this area. An abbreviated list of activities includes: group presentations, smaller writing projects, research papers, personal reflections, journaling, discernment (or reflective decision-making), self-assessments, personal mission statements (with quotes to live by), exams (oral, take home, written, and open-book), quizzes, readings, guest speakers. Weber (2007) relied on educational psychology and learning theory to posit a few additional recommendations for ethics training. His suggestions included the use of a variety of pedagogical approaches (lecture, individual reading, group discussions, role playing, multimedia), clear exposure to organizational values, inductive learning, and program assessment.⁷⁸ Very few traditional examinations existed. Most assignments seemed to include a writing component and group work. We actually give a very short quiz once a week in lieu of one exam in order to reward students for their efforts in preparing for class.

Some less common, but interesting activities included community service (especially with poor, homeless, disabled, aged), job shadowing, interviewing business executives about values, movie, art, music or literature comparisons, trips abroad, group sharing, meditation techniques, news or media review, development of a personal decision-making model, researching a country and its issue, researching specific company's and evaluating their CSR, exploring the major concerns of the local community, social entrepreneurship project, professional service, 5th year programs, alternatives spring breaks, immersion experiences, voluntary associations, blogging, ethics competitions and debates, overlap with other course, capstone approach, biography on historical figure (business and non-business who admire and why),⁷⁹ book reports, retreat, and countless others. According to the student surveys, other relatively worthwhile activities include the Personal and Professional Strategic Plan, Discernment Exercises, Regulatory Agency Report, Socially Responsible Investing, and report on a role-model.⁸⁰ The students reported that the least fruitful activity was one of the speakers and the diversity training exercises. Below (Exhibit B) is a sample course schedule, and its effort to correlate the business topic, CST principle, and assignment. It is followed by more detailed descriptions of a few successful activities.

Course Schedule

<u>Week /Stakeholder (and Issues)</u>	<u>CST Principle (CST Document)</u>	<u>Projects/Activities</u>
<p>1) Business Organizations I -purpose and role in Society, IAR/TRE, CSR -Dependent Businesses</p>	<p>1-15) Economic Relationships Common Good Dignity of Human Person Catholic – tradition, reason, experience</p>	<p>1) Current Event analysis, CSR Ratings</p>
<p>2) Self and Family -whistle-blowing, conflict of interests and values</p>	<p>2) Gospel of Mark [<i>God is Love</i>] -human person as social being, vocation, workplace spirituality -scripture, Catholic imagination</p>	<p>2) Personal and Professional Strategic Plan Reflection and Discernment Exercise (head and heart), Music</p>
<p>3) Business II/Managers -decision Making, IAR/TRE Analysis, Stakeholder management</p>	<p>3) <i>Rerum Novarum</i> - human person as economic being -<i>Compendium on Social Doctrine</i> -<i>Quadragesimo Anno</i></p>	<p>3) Viagra Case, Diagram of CST What would Jesus Do? Speaker. Shadowing and/or interview with role-model. Autobiography of role-model.</p>
<p>4) Employees I -pay, profit sharing, safety, decisions, privacy, health care, unions</p>	<p>4) Worker Rights <i>Laborem Exercens</i> <i>Compendium on Social Doctrine</i></p>	<p>4) Drug-Testing and Privacy Policy Reflection and Discernment Exercise. Group Presentations</p>
<p>5) Employees II -diversity, discrimination</p>	<p>5) Participation, worker rights <i>Brothers and Sisters to Us</i></p>	<p>5) Diversity Training Program Timeline of African-Americans, women, or immigrants.</p>
<p>6) Technology -intellectual property, biotechnology, GM foods, condoms</p>	<p>6) Rights and Responsibilities <i>Economic Justice for All</i> (parts) <i>Evangelium Vitae</i></p>	<p>6) New Technology and its implications Speaker Reflection and Discernment Exercise.</p>
<p>7) Consumers -rights to safety & effective, information, choice, voice, privacy, drug prices, advertising,</p>	<p>7) Rights and Responsibilities <i>Economic Justice for All</i> (parts)</p>	<p>7) Deceptive Ads (non-deceptive) Thanks for not smoking</p>
<p>8) Government -public policy, participation, lobbying, regulatory agencies</p>	<p>8) Subsidiarity, political community, participation, role of Church <i>Faithful Citizenship: A Catholic Call to Political Responsibility</i> <i>Gaudium et Spes</i></p>	<p>8) Report, Recommendation on Election Issue Administrative Agency, Lobby Letter Reflection and Discernment Exercise.</p>
<p>9) Environment Sustainable development, pollution, global warming, ozone,</p>	<p>9) Stewardship of creation, Bishops on <i>Global Climate Change</i></p>	<p>9) Too Hot not to Handle vs. Debate, Speaker</p>
<p>10) Media -power, influence, coverage</p>	<p>10) rights and responsibilities, <i>Mater et Magistra</i></p>	<p>10) Portrayal of Business Categories of Coverage Public Relations Role</p>
<p>11) Competitors, Special Interests -capitalism, socialism, antitrust, mergers,</p>	<p>11) universal destination of goods, labor and capital,</p>	<p>11) Stakeholder Coalitions Report on Special Interest</p>
<p>12) Owners -executive pay, corporate governance, financial transparency, insider trading, socially responsible investing</p>	<p>12) justice, labor and work, participation <i>Octogesima Adveniens</i></p>	<p>12) Executive Compensation Report Scandal Report, Speaker, SRI screens</p>
<p>13) Local Community -local issues</p>	<p>13) option for poor <i>Sollicitudo Rei Socialis</i> <i>Iusticia in Mundo</i></p>	<p>13) Service Project, paper, reflection Reflection and Discernment Exercise.</p>
<p>14) Global Society -sweatshops, child labor, poverty, human rights abuses, corruption, MNCs, debt</p>	<p>14) international community, peace, solidarity, option for poor <i>Populorum Progressium</i></p>	<p>14) Paper on another country's Issue US impact overseas</p>
<p>15) Business III as Citizen -CSR</p>	<p>15) Economic Relationships Common Good Dignity of Human Person Decade After Economic Justice for All <i>Centisiums Annus</i></p>	<p>15) Look up CSR Ratings of Company Design a CSR Plan</p>

*IAR/TRE: A Catholic Framework for Stakeholder Management*⁸¹

The primary method we utilized to investigate specific topics and to pursue the broader learning objectives was a framework for ethical analysis referred to under the acronym IAR/TRE. It is essentially a model of stakeholder management that integrates a distinctly Catholic perspective in the ethical decision-making process.⁸² IAR/TRE is used in some manner for almost every class and every assignment because to both the amusement and monotony of the students (and professors). Cognitive moral development theory “suggests that values, ethical sophistication and related ethical behavior of managers can advance over time with maturity, experience and education. Ethics training can play an important role in that moral maturation process.”⁸³ We believe that the moral reasoning skills of IAR/TRE stakeholder management are an essential component of ethics education and training, which improves the level of moral development, ethical decision-making,⁸⁴ and ethical behavior among students and employees.⁸⁵ The U.S. Bishops concurred when, relying on CST, they proposed “an ethical framework that can guide economic life today in ways that are both faithful to the Gospel and shaped by human experience and reason.”⁸⁶ IAR/TRE attempts to do exactly that by integrating Catholic Social Tradition (**T**), Philosophical Reason (**R**), and human experience (**E**) into its ethical analysis.

The Three Steps of IAR/TRE

The Stakeholder Management Framework utilizes a three step process for determining the appropriateness of a proposed plan, policy, or practice (see Figure 2)⁸⁷. The three steps are:

1. **Identification:** The decision-maker must identify the issue,⁸⁸ that is, the action or policy that is to be evaluated as right or wrong (with possible alternatives), any basic background information, and any relevant stakeholders.
2. **Analysis:** This is the TRE. The proposed action or policy is evaluated according to Catholic Social Tradition (**T**), Philosophical Reason (**R**), and human experience (**E**).
3. **Recommendation:** Based upon the reasoning and outcome of the TRE analysis, a summary recommendation with suggestions and alternatives is presented.⁸⁹

The first step by itself arguably increases the students current level of moral development. The students learn to broaden the spectrum of relevant stakeholders from customers, employees, and stockholders to include local communities, dependent businesses, governments, media, special interest groups, and the environment. As a result, stakeholder management increases “other oriented thinking,” which is a positive indicator of higher moral development, thus accomplishing a primary goal of ethics education and Catholic Social Teaching. Ethics training and other ethical policies should be sure to address the “the specific ethical issues faced by students in their particular context”⁹⁰ since the increased moral and practical relevance of such issues plays an important role in the perception of the organization’s ethical climate and “accelerates progress in overall moral development.”⁹¹ Simply put, ethics training should address the real issues students will most likely face since this will provide practical preparation, engage their moral faculties more fully, help their overall moral development, and contribute to the organization’s ethical culture.

The IAR/TRE model of stakeholder management emphasizes issue and stakeholder identification for its many benefits: 1) increases ethical issue sensitivity, 2) improves comprehensiveness of ethical analysis, 3) promotes stakeholder awareness and relationships, and 4) impacts ethical behavior (as some evidence suggests the combination of issue sensitivity, analysis, and judgment influences ethical intentions and behaviors).⁹²

Analysis under TRE (Tradition, Reason, and Experience)

After identification of the ethical issue, background information and relevant stakeholders, the stakeholder management framework proceeds to the ethical analysis (i.e., Step 2); this is the actual application of the TRE principles to the question at hand. In its effort to advance the individual's level of cognitive moral development, the framework incorporates into its ethical analysis the components of Catholic Social **T**radition (which includes CST, scripture, and Catholic Social Thought), Philosophical **R**easoning (Utility, Rights, Justice, Care, Organization, and Personal), and Human **E**xperience (historical, societal, and personal). The analysis step under the IAR/TRE is obviously the most involved.

Catholic Social Tradition

Catholic Social Tradition is applied first by looking at relevant scripture, then Catholic Social Teaching (CST), and the Catholic Social Thought of theologians, scientists, and others who have contributed a fuller understanding to the Church's social tradition.

Scripture is used for principles and for allegory. For example, Jesus in Matthew's Gospel relates the ethic to feed, clothe, and care for those that need it.⁹³ This is a general principle that has been included in CST in various ways and to various degrees. The option for the poor is one obvious example. This passage is relevant in areas of technology where increasing food production is a great possibility. Using scripture as allegorical principles to help guide business decisions takes time and practice. This is one level of the Catholic or analogical imagination, whereby metaphors, allegories and parables in scripture (as well as art, literature, nature, architecture and more) help us gain insight into our relationship with God. For example, the story of the Good Samaritan in Luke 10:29-37 tells of a man who cares for a stranger left injured on the road by robbers – by providing him with physical care, shelter at the inn, finances for continued care, and the enlisting of another for help by paying the innkeeper. This parable could be read to require individuals and businesses alike to assist those who are victims (like of Hurricane Katrina) by giving of their time, personal care, money, or their business (inn) or assets (the donkey). It can also be read as an instruction on tolerance and diversity in the workplace since the Samaritan was considered quite lowly by most who would have listened to the story. The story ends with the perfect ethical directive for all of scripture – “Go and do likewise.”⁹⁴

As previously mentioned, scripture was used sparingly in courses even though most students responded favorably to its use. The instructor must address the real concern that students are suspect of scripture and its focus on faith (which they consider personal) and its dogmatic disposition to the detriment of its basic moral wisdom. In an effort to sharpen their moral imagination, we had the students watch a movie (e.g., the Matrix) and try to find any connections with Scripture and Catholic Social Teaching themes. Furthermore, we point out that

the Holy See (the source of CST) is recognized as an independent sovereign state (since 1929)⁹⁵ and international diplomatic body that may enter into treaties and has a seat among the United Nations as a Permanent Observer (thus not a full member) (1961).⁹⁶ Ironically, the Holy See's effort to retain its neutrality gives its voice on political problems greater legitimacy since it is not posturing for any advantage.

Most courses introduced the themes or principles of **Catholic Social Teaching** (or Doctrine) – although different terminology was used in some instances. For instance, the role of government in and with society was described as government, political community, or principles of subsidiarity. Like any body of knowledge, it soon became clear that we needed a very clear, succinct, and common language in order to probably teach and utilize CST. We took the opportunity to explain the difference between themes and principles for CST, comparing it to goals and objectives in management, and theories and principles in philosophy.

Because of our applied ethics approach, we determined we needed to reduce CST to basic principles to ensure that its application to cases was more manageable. We settled on the following three (with their related concepts used to give depth to the titular principle):

1) **Common Good and Community**

(Civilization of love, God's love of and plan for humanity, Trinity, social beings, family, community, political community, government, **subsidiarity**, **participation**, Church's Role, Mission, Social Doctrine, action) international community, **solidarity**, peace, universal destination of goods, **option for the poor** and vulnerable)

2) **Dignity and Rights of the Human Person**

(Personalist principle, **human rights and responsibilities**, sanctity of life, option for the poor and vulnerable)

3) **Economic Relationships/Life**

(Work and **Worker's Rights**, capital and labor, universal destination of goods, technology, safeguarding the **environment**, stewardship and care for creation)

Other courses easily identified 10 or more principles by treating one of the above sub-categories (see other bold phrases) as its own principle (which it is in one sense). These are covered generally in the first or second week, and then elaborated and given depth according to each topic of discussion relevancy. One of the more interesting and worthwhile assignments has the students create some type of visual representation of the major principles and themes of CST and their interrelationship. Not only is the creativity of the students tapped and expressed, the project commits to greater memory and understanding the framework of CST. Examples run from the more mundane flow charts, graphs, concentric circles, pie charts, and other organizational diagrams to the quite creative human person figurine with the different CST dimensions part of the body and the three-dimensional cube or octagon painted as the globe, with each side or continent representing a CST principle.

Does the action or policy promote or protect the principle or impair or violate the underlying principles of CST? This answer indicates the rightness or wrongness of an action or policy. A company that is ready to offer a new pain medicine to the market will hopefully consider very carefully its impact on the human person (side effects) when developing, testing,

and distributing the drug. We also look to particular passages of CST documents for guidance – especially when addressing the particular topic. The IAR/TRE then moves onto to its philosophical analysis for further insights.

Philosophical Reason: URJCOP

The six philosophical principles applied are named Utility, Rights, Justice, Care, Organizational, and Personal, with each discussed in turn.⁹⁷ Each of these six principles represents a distinct and vital intellectual instrument for ethical decision making used across generations and cultures. The six- principles analysis of stakeholder management provides students an evaluative tool to assist and support ethical decision-making and its resultant behavior.

Utility. The Utility principle is based on *teleological* ethical theory since it looks at the “telos” or end of an action in forming its conclusion. Although rooted in ancient philosophy, Bentham (1789) and Mill (1863) formally “used the principle of utility as a practical guide and powerful instrument for social, political, economic and legal change.”⁹⁸ The Utility principle of the stakeholder management framework determines rightness or wrongness by evaluating the consequences, favorable and unfavorable, that a policy or practice produces. The correct choice is the one that results in more overall benefits than burdens when all stakeholders are considered or, in a stricter approach, a decision is right when it leads to the greatest amount of benefits for the greatest number of stakeholders. Not surprisingly, most ethical decisions in business and sales are utilitarian in approach.

Rights and Duties. The Rights principle of stakeholder management is deontological⁹⁹ in nature. As its name indicates, the Rights and Duties principle evaluates an action or policy based on the rights of each stakeholder and upon the corresponding duty of the business to protect such rights, rather than making the decision based on the overall benefits and burdens. The customer’s right to accurate information and to a safe product, the salesperson’s right to a secure work environment, and the employer’s right to loyal employees are some of the many rights acknowledged in business. A comprehensive ethics program would help students identify important stakeholder rights and methods to best protect them.

For example, a salesperson faced with the situation to exaggerate product claims in order to secure a sale may decide against this action based on the Rights principle. He may determine that the customer has a right to have accurate information about quality levels, defect rates, and expected results pertaining to the acquisition and use of his company’s products. He may still pursue the sale, but with a disclosure that more fully protects the consumer’s right to information and fulfill his duty.

Justice. The Justice principle of stakeholder management refers primarily to Rawls’ (1971) concept of distributive justice.¹⁰⁰ Rawlsian justice equates to a fairness that is found when certain basic rights are protected ***and*** when benefits and burdens are distributed in a relatively similar manner. The Justice principle conveniently refers back to Rights and Utility when determining if an action or policy is right or wrong. No policy or practice is just or correct if it infringes on any fundamental right.¹⁰¹ Rawlsian justice “implies that it is unjust for business

institutions to invade the privacy of employees, pressure managers to vote [or act] in certain ways” or “use force, fraud or deception in contractual transactions.”¹⁰² This also lends itself to procedural justice – some degree of notice and hearing when certain rights are at risk.

Next, the justice principle determines if the distribution of benefits and burdens is equitable, fair and just. Justice looks back at utility not to revisit the overall value of benefits compared to burdens, but rather to see how those benefits and burdens are distributed *among* the various stakeholders. Are some stakeholders receiving most of the benefits, while others are bearing most of the burdens? An unequal distribution of benefit and burdens can still be considered just and fair if every stakeholder is better off, or morally relevant reasons like need (especially of the least advantaged), effort, ability, education, production, skills, or performance justify the inequality to some degree.¹⁰³

The Justice principle incorporates many widely-held ethical values (e.g., fairness, freedom, and equality) into the decision-making process, which can be easily compared to concepts within Catholic Social Teaching. The similarities between basic Catholic Social Teaching and fundamental philosophical principles provide the perfect opportunity for students to see CST as a source of universal wisdom - instead of authoritarian teaching.

Care. The stakeholder analysis continues with the principal of Care for practical and philosophical reasons. The practical reason is that it refocuses attention on the identification and saliency of various stakeholders since the Care principle focuses on the relationships that the organization or student has with the different stakeholder groups. Just the consideration of a broader spectrum of stakeholders and their interests helps this model render more ethically acute decisions. Philosophically, it is essential to apply the principle of care since business should be about relationships just as much as, if not more than, outcomes. Moral dilemmas confronting salespeople often arise from their inability to properly assess the wide assortment of stakeholders and their interests (which are sometimes conflicting).¹⁰⁴ Relationships are also a critical component of Catholic Social Teaching.

Organizational. In the decision-making process the Organizational principle follows the values delineated in the company’s mission statement or code of ethics.¹⁰⁵ In this fashion, the Organizational principle of stakeholder management enables these key organizational documents to move beyond lifeless rhetoric to living guidelines that revitalize the company’s ethical climate, decisions, dispositions and behaviors. For instance, “The H-P Way” stood for a very employee-friendly environment that valued workers through policies like profit-sharing. Company values should naturally be an integral consideration in any business decision.

Personal. The personal principle should be different from any of the previous principles (justice, utility, etc.) in order to provide a wider ethical perspective. The personal values and moral principles of the students should be incorporated into the framework because they invariably influence their ethical disposition, choices, and behavior. Moral fortitude, the ability to follow through on a decision, will depend in part on the opportunity to follow one’s own value system. In order to promote moral fortitude, the sales organization should assist trainees in identifying, articulating and implementing his or her primary ethical principle during ethics training. Some of the more frequently used Personal principles of ethics include:

- **Professional Ethic** (act in manner acceptable to your professional peers);
- **Disclosure Rule** (act as you would if everyone—friends and public—would find out about your decision);
- **Intuition Ethic** (act according to your gut-feeling and instincts);
- **Role-Model or Exemplar Ethic** (act how the person you admire would act or would advise you to act);
- **Religious Ethic** (act according to religious norms and beliefs);¹⁰⁶
- **Covenant or Common Good Ethic** (act as though the organization is part of and promoting a moral community);
- **Golden Rule or Ethics of Reciprocity** (do unto others as you would have done unto you);¹⁰⁷
- **Virtue Ethic** (act in manner that will nurture important virtues like honesty, loyalty, respect, diversity, transparency);¹⁰⁸
- **Legal Ethic** (act in a manner that does not violate the law);¹⁰⁹
- **Catholic Ethic** (Scripture, CST, experience).¹¹⁰

Importantly, when the personal and organizational principles happen to correspond to some degree, it strengthens the employee’s comfort, confidence and follow-through in dealing with moral dilemmas. For example, when the organization fosters a culture guided by the “Golden Rule,” a salesperson who follows a strong “virtue ethic” would rarely face conflict between personal and organizational value systems. This congruence of values often contributes to employee satisfaction, loyalty and ethical behavior.¹¹¹

After analyzing the ethical quandary with all six principles, the stakeholder management model requires the business to articulate an overall recommendation (with possible alternatives) by comparing the conclusions reached under each principle (i.e., Step 3). Heuristically, if four, five or six of the ethical principles agree (6-0, 5-1, 4-2), then the recommendation should follow the clear consensus as to its “rightness” or “wrongness.” However, if the principles are split three to three (3-3), then the business needs to determine which principle or principles are most convincing or relevant under the situation and follow its conclusions (Bandsuch and Winsor 2005). Generally under such circumstances, the critical Rights and Justice will have more influence than Care and Utility. The six principle approach suggests that as long as basic rights are protected, then the organizational principle may serve as the tie-breaker for decisions made in a more representative capacity, while the care or personal principle would suffice when the agency factor of the decision-maker is somewhat diminished.¹¹²

Human Experience (Historical, Collective, Personal)

Human experience has always been a valued element of the **Catholic Intellectual Tradition**, which looks to all bodies of knowledge as possibilities for fuller revelation and understanding of the one supreme Truth (with right reason and right judgment). The **Catholic Intellectual Tradition** encompasses Catholic Social “**Teaching**” (CST), Scripture, Catholic Social “**Thought**,” philosophical reasoning, and the theologians, economists, scientists, and other various scholars addressing issues and not necessarily from the Catholic perspective. The human experience, its collective dimension reflected in the historical events and wisdom handed down through the ages, the current experience of larger society often referred to as cultural or

historical context, and of course one's personal experiences – both past and present – should all play a part in the Catholic decision-making process.

Experts and prior research must be consulted in order to inform this dimension of the process. What is the history of products that have not been fully tested by the FDA? Should a certain business activity, like accounting, receive greater scrutiny and supervision because of past indiscretions. The Catholic Church talks about the primacy of conscience when deciding what is truly right or wrong – even required to follow one's conscience if it sincerely contradicts with Church teaching. But one is expected to fully inform their conscience with the wisdom of Catholic social tradition, and philosophical reasoning, and the broader human experience when coming to a decision.

The students are taught to integrate their current experience into the equation through reflection and meditation. We try to develop this technique with periods of quiet at the beginning and end of class – paying attention to the movements of the head and heart. They are asked to express this in their IAR/TRE analysis – whether written or oral.

Recommendations and Alternatives

Lastly, this may be the time to see if any alternatives or adaptations to the original proposal would lead to a clearer consensus among various principles. Even when there is overall agreement at first, the analysis can be reviewed to discover improvements or superior alternatives that either enhance the positives or diminish the concerns found in the decision-making process. This is one of the many strengths of the stakeholder management model. As a prescriptive model, it is training those who utilize it to use the principles as guides to alternatives or improvement to an action or policy. But again, the most compelling reason for a company to utilize the IAR/TRE Stakeholder Management Model is that it is an invaluable tool for making strategic and ethical decisions, increasing cognitive moral development and reasoning skills, and for cultivating an ethical climate more conducive to ethical actions among the sales force and entire organization.

Once the ethical decision is implemented, some sort of follow-up or assessment should occur so as to provide feedback for future ethical issues, comparable in concerns. This post-action review also allows individuals and organizations to evaluate to what degree the action was in sync with the organization's ethical culture and values. The assessment itself serves as an example and control of a commitments to ethics.

Benefits of Stakeholder Management

Despite its comprehensiveness, the model is a very practical and manageable framework for analyzing ethical problems. Its straightforward structure assists the communication, explanation, and validation of the decisions it renders. “[U]tilizing this reasoning process through repeated practice in role-plays, exposure to others' responses, analyses of ethical situations, and discussion with peers and more experienced individuals offers the opportunity to develop a greater ability to reason and sort through the morass of ethical situations individuals face in the

workplace.”¹¹³ With training and practice, the method will become quite intuitive and automatic for the students. The First Day-Last Day surveys corroborated this conclusion.

The model also uncovers possible alternatives or modifications more easily than other conventional approaches to business ethics. Although similar to the Hunt-Vitell (1986, 93) model by including alternatives at the beginning of the analysis, it explicitly promotes openness to the discovery of other alternatives as the process unfolds. Since not every ethical concern can be anticipated, instruction in moral reasoning is invaluable.

The IAR/TRE ensures that the specific Catholic perspectives coming to bear on specific business issues. But it also helps students to see the integrative nature of faith, reason, and experience. The similarities between philosophical and theological ethics – in framework and foundation of human nature became very apparent quite quickly. CST, or at least the principles of CST, lends itself to ethical analysis easily and without threat. Most students, especially when the interrelationship is explained, recognize that CST is rooted as much in right reason as it is in religious beliefs, or rather they understand how the principles can be helpful with decision-making without requiring a confession of faith.¹¹⁴ Meanwhile, others gain comfort in the fact that the practice of CST is one way they can integrate their faith into their work and life more concretely.

Group Presentation, Service Learning, and Research Paper

Three class activities turn the IAR/TRE analysis into a legitimate, valued and helpful framework – the group presentations, service learning, and the research paper. These three assignments, when well done, move stakeholder management beyond a theoretical exercise to a significant learning experience. Each project tries to incorporate an experiential learning model that includes 1) preparation, 2) experience, 3) analysis, and 4) response, in order to improve learning development.¹¹⁵ According to the student surveys, the service learning project is the most significant, followed by the research paper.

The service learning experience is a four-person group project that expects at least 10 hours of service per team member, with at least half of those hours performed together. Instructors had different approaches to group formation. Some assigned the group members in order to mix men and women, while others allowed the students to assemble teams. The groups do some preliminary research on the organization they will assist. The individuals keep a journal about their service experience, paying close attention to possible ethical issues faced by the organization, stakeholders with whom they interact, and any other personal or professional insights. The group then collaborates on an IAR/TRE stakeholder management paper, which incorporates their experiences, research, and personal perspectives. Some form of group reflection seems essential to deepening the experience and its learning potential.¹¹⁶ Some professors use group sharing, others add on a group presentation to the larger class. The separate research paper and group presentations mirror the service learning project, except they do not have the same degree or quality of experiential content. Regardless, the combination of service learning, group presentations, and research papers in conjunction with the rest of the class activities does seem to contribute significantly and successfully to the course learning objectives.

Suggestions and Challenges

The Catholic nature of the course raises concerns over the source of the information, the Catholic Church. To some, it may raise questions of intellectual legitimacy, or attempts to proselytize, catechize or evangelize. Yet, Catholic Social Teaching is a worthy course of study in and of itself since it presents a thorough body of knowledge that enhances many aspects of sociology, economics, philosophy, political science, theology, law, and of course ethics. In fact, courses on CST were offered in many non-Catholic institutions, both public and private without regard to a Catholic identity or mission –beyond full education of the student.

The growing diversity of the student population raises questions about how to best interact with other faith traditions. How the Catholic university answers those questions will determine how it fulfills its overall mission. One interesting challenge is the different perspectives students seem to have about the nature of the human person.

Further research on the best balance of CST, philosophy, and management should be measured. Methods and factors for advancing faculty comfort and relevancy is another important area of investigation since they influence actual use in the classroom. Clearly, some best practices for teaching Catholic Business Ethics should be identified.

Conclusion

The Who, What, Where, Why and How of teaching “Catholic” Business Ethics at a “Catholic” University, although somewhat daunting is quite plausible and rewarding when the various constituencies of the university come together to pursue their common mission in this manner. Professors (ideally a team) familiar with Catholic Social Teaching (the who) should teach a distinctly Catholic Business Ethics course in the business, philosophy and theology departments (the where) that exposes undergraduate seniors and graduate students (the when) to Catholic Social Tradition as applied specifically to business concerns (the what) through integrative, experiential and collaborative learning methods (the how) in order to advance the mission of the Catholic University and the Catholic Church (the why).

The incarnation of “Catholic” Business Ethics as an alternative model has great potential to more fully fulfill the mission of the Catholic University and Catholic Church because its ultimate focus is the education of the human person – the student and other stakeholders created in the image and likeness of God, however faint, and a contributing member of society, however slight.

Some Suggested Resources for Catholic Business Ethics

Cardinal Renato Raffaele Martino, Pontifical Council For Justice And Peace, Compendium Of The Social Doctrine Of The Church, Libreria Editrice Vaticana, 2005.

Economic Justice for All, USCCB, 1986.

Catholic Social Thought: The Documentary Heritage, David J. Obrien and Thomas A. Shannon, ed. (Orbis Books; Maryknoll, NY; 1995.)

Responses to 101 Questions on Catholic Social Teaching, Kenneth R. Himes O.F.M. (Paulist Press, 2001)

Catholic Social Teaching: Our Best Kept Secret, Edward P. Deberri, James E. Hug, Peter J. Henriot, Michael J. Schultheis, 4th revised and expanded edition (Orbis Books; Maryknoll, NY; 2003)

Catholic Social Teaching 1891-- Present: A Historical, Theological and Ethical Analysis, Charles E. Curran, (Georgetown University Press, Washington D.C., 2002)

Modern Catholic Social Teaching: Commentaries and Interpretations, Himes, ed. (2005)

Business Ethics Quarterly: Special Issue on Western Religious Approaches to Business Ethics (1997).

Web Sites

Office for Social Justice, Archdiocese of Saint Paul and Minneapolis, MN, Catholic Social Teaching

http://www.osjspm.org/catholic_social_teaching.aspx

Association of Catholic Colleges and Universities

<http://www.accunet.org/i4a/pages/index.cfm?pageid=1>

Catholic Information Network

<http://www.cin.org/>

Anita Cannon, American Library Association, Internet Resources, Business Ethics *C&RL News*, June 2006 Vol. 67, No. 6

<http://www.ala.org/ala/acrl/acrlpubs/crlnews/backissues2006/june06/businessethics.cfm>

Lawrence M. Hinman

<http://ethics.sandiego.edu/index.asp>

¹ In the United States, there are approximately 2,574 four year institutions of higher education, of which 1,845 are private and a little less than 1,000 have religious affiliations, 241 being Roman Catholic. Harvard (1636) was the first university in the United States and Georgetown (1789) its first Catholic university. The University of Constantinople (425) is credited as the first university in the world, although China (2000 BCE) and India (500 BCE) supposedly had schools of higher learning much earlier. National Center for Education Statistics, *Digest of Education Statistics*, 2006.

² There are over 1,000 Catholic Universities in the world, and 241 in the United States. The University of Bologna (1088) was the first degree-granting Catholic University, although the University of Salerno was known to exist in the 9th Century.

³ The Wharton School (1881) at the University of Pennsylvania (1740) lays claim to being the first college of business in the world. Mainstream business education began after the turn of the century, with business ethics education not even a recognized discipline until the 1960's. Raymond C. Baumhart, "How Ethical are Businessmen?" *Harvard Business Review*, 39 (July-August), 6-19, 156-176 (1961). There are currently over 1600 business schools in the United States, 400 of which are accredited by AACSB (555 worldwide). See AACSB International, Accreditation Council Profile at <http://www.aacsb.edu/accreditation/AccreditedMembers.asp>.

⁴ Of the 241 Catholic institutions of higher education in the United States, approximately 150 have business schools (90 some MBA programs), which is less than 10% of the 1600 business schools in the United States.

⁵ See John Wishloff, Catholic Social Thought and Business Ethics: The Application of 10 principles, Review of Clark, *Review of Business*, v. 25, p. 15-26 (2004); Charles M. Clark, Bringing Realism to Management Education: Contributions from Catholic Social Thought, *Review of Business*, v. 25, p. 6-14 (2004).

⁶ M. Naughton and T. Bausch, "The Integrity of a Catholic Management Education: Four Integrating Characteristics." *California Management Review*, v. 17, p. 29-48.

⁷ A. Barrera, "Social Principles as a Framework for Ethical Analysis (With an Application to the Tobin Tax)," *Journal of Business Ethics*, v. 23. p. 377-388.

⁸ Roland E. Kidwell & Linda Achey Kidwell, "Ethical Beliefs in the Catholic Business School: The Impact of Catholic Social Teaching on Classroom Reality," *Journal of Markets and Morality* 293-315 (2006).

⁹ T. Whitmore, "Practicing the Common Good: The Pedagogical Implications of Catholic Social Teaching," *Teaching Theology and Religion*, v. 3, pp. 3-19 (2000).

¹⁰ John C. Cassidy, A Pedagogy for Integrating Catholic Social Ethics into the Business Ethics Course, *Journal of Business Ethics Education*, v. 3, p. 1-12 (2006).

¹¹ S. Rae & K. Wong, *Beyond Integrity: A Judeo-Christian Approach to Business Ethics*, 2nd ed., (Grand Rapids, MI: Zondervan, 2004).

¹² Richard T. De George, Theological Ethics and Business Ethics, *Journal of Business Ethics*, v. 5, pp. 421-432 (1986).

¹³ J. Pfeffer, "Business and the spirit: Management practices that sustain values," in Giacalone, R. and Jurkiewicz, C. (Eds.), *Handbook of Workplace Spirituality and Organization Performance*. New York: M.E.Sharp, 29-45 (2003).

¹⁴ L. Fry, "Toward a Theory of Spiritual Leadership," *Leadership Quarterly* 14 (6), 693-727(2003).

¹⁵ D. Hart, and Brady, N., "Spirituality and archetype in organizational life," *Business Ethics Quarterly*, 15 (3), 409-428 (2005).

¹⁶ M. Conlin, "Religion in the workplace: The growing presence of spirituality in the workplace," *Business Week*, (Nov 1), 151-8 (1999).

¹⁷ John Paul II, *Ex Corde Ecclesiae*, 1990.

¹⁸ Robert C. Ford and Woodrow D. Richardson, "Ethical Decision Making: A Review of the Empirical Literature," *Journal of Business Ethics*, 13, 205-221 (1994).

¹⁹ Catholic Social "Teaching" (CST) describes the explicit and formal teaching of the Catholic Church regarding the organizational, economic, and political realities of human existence through official and authoritative documents like conciliar documents, papal encyclicals, college of bishops decrees, and pastoral letters.

²⁰ Syllabi, writings and interviews appeared to acknowledge the role that experience plays in Catholic thought, but in a secondary manner, with historical, scientific, societal, and individual experiences emphasized to different degrees.

²¹ Robert C. Ford and Woodrow D. Richardson, "Ethical Decision Making: A Review of the Empirical Literature," *Journal of Business Ethics*, 13, 205-221 (1994).

²² Catholic Social "Teaching" (CST) describes the explicit and formal teaching of the Catholic Church regarding the organizational, economic, and political realities of human existence through official and authoritative documents like conciliar documents, papal encyclicals, college of bishops decrees, and pastoral letters. CST is a part of the

broader tradition of Catholic Social **“Thought,”** which includes the theologians, economists, scientists, and other various scholars who addressed similar social issues from a similar Catholic perspective. Finally, both CST and Catholic Social Thought are part of an even larger concept of Catholic Social **“Tradition,”** which includes Sacred Scripture and other expressions of the Catholic perspective concerning the variety of social questions facing humanity. Arguably, the above three are also situated within a larger **Catholic Intellectual Tradition,** which looks to all bodies of knowledge as possibilities for fuller revelation and understanding of the one supreme Truth (with right reason and right judgment). “In Catholic teaching, there exists an order or ‘hierarchy’ of truths, since they vary in their relationship to the foundation of the Christian faith.” (Paul VI, Decree on Ecumenism, *Unitatis Redintegratio*, Restoration of Unity, par. 11, 1964). The Pontifical Council for Peace and Justice have elevated Catholic Social Teaching to doctrinal level within the hierarchy of truths (Pontifical Council for Justice and Peace, “The Compendium on the Social Doctrine of the Church,” par. 80, 2004 (citing Congregation for the Doctrine of the Faith, Instruction *Donum Veritatis*, 16-17, 23 (1990).quoting John Paul II, *Centesimus Annus*, par. 59 (1991). Thus, the Church and others have begun referring to CST as Catholic Social **“Doctrine.”**

²³ Catholic education should be designed in part “to unite existentially by intellectual effort two orders of reality that too frequently tend to be placed in opposition as though they were antithetical.” John Paul II, *Ex Corde Ecclesiae*, par. 1, 1990.

²⁴ But the similarity of the above association with the relationship between the divine and human in Jesus Christ should not be dismissed oft-handedly. Steve Cortright, in fact, “proposed that the root of Catholic identity and of Catholic to be **“sacramental identification** with the Person and Action of Christ Jesus” (recognizing that John Paul II used the phrase in his *Apostolic Letter Dominicae Caenae*, par. 8). “Sacramental Identification,” Seminar paper, 2008.

²⁵ We say **“a”** Catholic University instead of **“The”** Catholic University in line with the fundamental Catholic belief that God’s grace and presence can manifest itself in many different ways among many different peoples.

²⁶ Thomas F. McMahon, “Creed, Code and Cult,” *Journal of Business Ethics* 5, 453-463 (1986).

²⁷ Benedict XVI, Address of His Holiness in Meeting with Catholic Educators (April 17, 2008).

²⁸ This comprehensive understanding of Catholic is the basis for the education of the “whole” person found in many Catholic University mission statements.

²⁹ Jose Ortega y Gasset, *Revolt of the Masses*, 1930 (English translation, W.W. Norton & Co, Inc., New York, N.Y. 1932).

³⁰ Jose Ortega y Gasset, *Revolt of the Masses*, 1930 (English translation, W.W. Norton & Co, Inc., New York, N.Y. 1932).

³¹ *Gaudium et Spes*, par. 43 (1965).

³² Benedict XVI, Address in Meeting with Catholic Educators (April 17, 2008).

³³ “In order better to incarnate the one truth about man in different and constantly changing social, economic and political contexts, this teaching enters into dialogue with the various disciplines concerned with man. It assimilates what these disciplines have to contribute” [108]. The social doctrine makes use of the significant contributions of philosophy as well as the descriptive contributions of the human sciences. Pontifical Council for Justice and Peace, “The Compendium on the Social Doctrine of the Church,” par. 76, 2004 (quoting John Paul II, *Centesimus Annus*, par. 59 (1991).

³⁴ A significant contribution to the Church's social doctrine comes also from human sciences and the social sciences [109]. In view of that particular part of the truth that it may reveal, no branch of knowledge is excluded. The Church recognizes and receives everything that contributes to the understanding of man in the ever broader, more fluid and more complex net work of his social relationships. She is aware of the fact that a profound understanding of man does not come from theology alone, without the contributions of many branches of knowledge to which theology itself refers. Thanks to the sciences, the Church can gain a more precise understanding of man in society, speak to the men and women of her own day in a more convincing manner and more effectively fulfill her task of incarnating in the conscience and social responsibility of our time, the word of God and the faith from which social doctrine flows [110]. Pontifical Council for Justice and Peace, “The Compendium on the Social Doctrine of the Church,” par. 78, 2004 (referencing John Paul II, *Centesimus Annus*, par. 54 (1991).

³⁵ John Paul II, *Ex Corde Ecclesiae*, par. 1, 1990.

³⁶ John Paul II, *Ex Corde Ecclesiae*, par. 4, 1990.

³⁷ John Paul II, *Ex Corde Ecclesiae*, par. 16, 1990.

³⁸ Catechism of the Catholic Church, Sections 456-463, (1993).

³⁹ John Paul II, *Ex Corde Ecclesiae*, Identity and Mission Part I (A) (1), par. 17, 1990.

⁴⁰ John Paul II, *Ex Corde Ecclesiae*, General Norms, The University Community, Part II, Art. 4., section 5, 1990.

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- ⁴¹ John Paul II, *Ex Corde Ecclesiae*, General Norms, The University Community, Part II, Art. 4., section 5, 1990.
- ⁴² Loyola Marymount University's Board of Trustees, Loyola Marymount University's Mission and Goals Statement, Preamble, 1990.
- ⁴³ Roland E. Kidwell & Linda Achey Kidwell, "Ethical Beliefs in the Catholic Business School: The Impact of Catholic Social Teaching on Classroom Reality," 9 *Journal of Markets and Morality* 293-315 (2006).
- ⁴⁴ Roland E. Kidwell & Linda Achey Kidwell, "Ethical Beliefs in the Catholic Business School: The Impact of Catholic Social Teaching on Classroom Reality," 9 *Journal of Markets and Morality* 293-315, 300 (2006).
- ⁴⁵ Ratings were based on the number and directness of the Catholic references.
- ⁴⁶ These schools are purposely not identified.
- ⁴⁷ AACSB International. Eligibility Procedures and Accreditation Standards for Business Accreditation (adopted, April 2003, Revised January 2008). Interestingly, the word "mission" is found over 300 times in the standards, while the word "ethics" only 4.
- ⁴⁸ AACSB International. Eligibility Procedures and Accreditation Standards for Business Accreditation (adopted, April 2003, Revised January 2008). Interestingly, the word "mission" is found over 300 times in the standards, while the word "ethics" only 4.
- ⁴⁹ AACSB International. Education resource Center,. Overview. AACSB Expectations (adopted, April 2003, Revised January 2008). See also, Accreditation Standard 15: Managing Curricula. Interestingly, the word "mission" is found over 300 times in the standards, while the word "ethics" only 4. Further, AACSB does not require a course in ethics.
- ⁵⁰ It should be noted that prior to the recent business scandals, business ethics and other "soft" skills were on the decline at universities (Surprisingly, this trend is continuing to some degree primarily because of the re-emphasis of hard skills in business schools and some related cost factors). Warren Bennis and James O'Toole, How Business Schools Lost Their Way, Harvard Business Review 83, no. 5 (May 2005): 96-104 (explaining the trend resulted in part from the overemphasis of the scientific model of business and its prioritization of quantitative data and hard skills of technical abilities, instrumental rationality and statistical analysis rather than on soft skills like teamwork, leadership, and ethical disposition).
- ⁵¹ Religious awareness and intensity has been determined to have a positive correlation to ethical sensitivity, intentions, which then improve the likelihood of ethical actions. J. Clark and L. Dawson, "Personal Religiousness and Ethical Judgments: An Empirical Analysis," *Journal of Business Ethics*, v. 15, pp. 359-372 (1996).
- ⁵² John Paul II, *Laborem Exercens*, 1981.
- ⁵³ Eduardo S. Paderon, Catholic Social Teaching and Business Ethics, *Int. J. Value-Based Management*, v. 4, p. 123 (1991).
- ⁵⁴ Andrew N. Meltzoff, "Elements of a Development Theory of Imitations," in the *Imitative Mind*, eds. Meltzoff and Prinz (NY: Cambridge Press, 2002).
- ⁵⁵ Roland E. Kidwell & Linda Achey Kidwell, "Ethical Beliefs in the Catholic Business School: The Impact of Catholic Social Teaching on Classroom Reality," 9 *Journal of Markets and Morality* 293-315 (2006).
- ⁵⁶ Roland E. Kidwell & Linda Achey Kidwell, "Ethical Beliefs in the Catholic Business School: The Impact of Catholic Social Teaching on Classroom Reality," 9 *Journal of Markets and Morality* 293-315, 307-08 (2006).
- ⁵⁷ Roland E. Kidwell & Linda Achey Kidwell, "Ethical Beliefs in the Catholic Business School: The Impact of Catholic Social Teaching on Classroom Reality," 9 *Journal of Markets and Morality* 293-315, 309-10 (2006).
- ⁵⁸ Roland E. Kidwell & Linda Achey Kidwell, "Ethical Beliefs in the Catholic Business School: The Impact of Catholic Social Teaching on Classroom Reality," 9 *Journal of Markets and Morality* 293-315, 309-10 (2006).
- ⁵⁹ T. Whitmore, "In the Mission or on the Margins: A White Paper on the 'Teaching Catholic Social Teaching' Project," *Current Issues in Catholic Higher Education*, v. 22 (2), pp. 73-86 (2002).
- ⁶⁰ E. Kidwell & Linda Achey Kidwell, "Ethical Beliefs in the Catholic Business School: The Impact of Catholic Social Teaching on Classroom Reality," 9 *Journal of Markets and Morality* 293-315, 312 (2006).
- ⁶¹ Justin G. Longnecker, Joseph A. McKinney, Carlos W. Moore, Religious Identity, Evangelical Christianity and Business Ethics: An Empirical Study, *Journal of Business Ethics*, 55, 373-386 (2004).
- ⁶² E. Kidwell & Linda Achey Kidwell, "Ethical Beliefs in the Catholic Business School: The Impact of Catholic Social Teaching on Classroom Reality," 9 *Journal of Markets and Morality* 293-315, 312 (2006).
- ⁶³ A Catholic Studies Grant for Course Development was awarded to help with one of the courses referenced below.
- ⁶⁴ A related question that surfaced was "whether students are the only stakeholders who should be the beneficiaries of Catholic Business Ethics in the Catholic University?" Faculty, staff, alumni, administrators, local businesses, benefactors, Trustees, the local church may not have the opportunity to sit in on a course, but should they not benefit in some manner nonetheless. For example: Do the support staff receive a just wage and decent benefits? What are

the policies and realities of diversity initiatives of the faculty and student-body? What are the wage equities among men, women and minorities? What is the school doing on behalf of environmental issues? What is their relationship with the local neighbors? What is the institution's reputation and interaction with the academy, the local business community, and the formal Church? Each of these aspects present teaching moments on the topic of Catholic business ethics, with the institution in the role of professor and a variety of stakeholders as eager students. Lectures, Seminars, Centers, special projects, as well as day-to-day operations, all provide opportunities for the Catholic University to extend the reach of its Catholic Business Ethics.

⁶⁵ John C. Cassidy, A Pedagogy for Integrating Catholic Social Ethics into the Business Ethics Course, *Journal of Business Ethics Education*, v. 3, p. 1-12, 10 (2006).

⁶⁶ In the United States, there are approximately 2,574 four year institutions of higher education, of which 1,845 are private and a little less than 1,000 have religious affiliations, 241 being Roman Catholic. National Center for Education Statistics, *Digest of Education Statistics*, 2006. The Wharton School (1881) at the University of Pennsylvania (1740) lays claim as the first college of business in the world.

⁶⁷ Over 400 of those 1600 business schools in the United States are part of the 555 schools accredited by AACSB worldwide. See AACSB International, Accreditation Council Profile at <http://www.aacsb.edu/accreditation/AccreditedMembers.asp>.

⁶⁸ John C. Cassidy, A Pedagogy for Integrating Catholic Social Ethics into the Business Ethics Course, *Journal of Business Ethics Education*, v. 3, p. 1-12 (2006).

⁶⁹ AACSB

⁷⁰ John C. Cassidy, A Pedagogy for Integrating Catholic Social Ethics into the Business Ethics Course, *Journal of Business Ethics Education*, v. 3, p. 1-12, 10 (2006).

⁷¹ Just for fun, we asked a variety of other questions that revealed that students in general prefer 50 minute class sessions (over the 1:15 minute or 2 and half hour sessions) and meeting twice-a-week. This of course results in just two hour of credits.

⁷² This is a little twist on *where* should Catholic Business Ethics be taught – moving outside the classroom to encounter various forms of experiential learning.

⁷³ John C. Cassidy, A Pedagogy for Integrating Catholic Social Ethics into the Business Ethics Course, *Journal of Business Ethics Education*, v. 3, p. 1-12, 6 (2006).

⁷⁴ Of those 241, approximately 150 have business schools (90 some MBA programs), which is less than 10% of the 1600 business schools in the United States.

⁷⁵ We decided not to include objective #7 and #8 (the purpose) in the syllabus, but may in the future under the idea of full disclosure and transparency. This will inevitably require us to explain these goals in the inclusive and non-proselytizing manner they are meant to be understood and in fact pursued.

⁷⁶ The mediocre teacher informs, the good teacher explains, the superior teacher demonstrates, and the great teacher inspires – William Arthur Ward.

⁷⁷ See R. Greenaway, *Experiential learning articles and critiques of David Kolb's theory*, 2002 <http://reviewing.co.uk/research/experiential.learning.htm>

⁷⁸ J.A. Weber, "Business Ethics Training: Insights from Learning Theory", *Journal of Business Ethics* 70:61-85 (2007).

⁷⁹ O.F. Williams, "Can Business Ethics be Theological? What Athens can Learn from Jerusalem," *Journal of Business Ethics*, v. 5, pp. 473-484 (1986).

⁸⁰ These conclusions come from an informal rating in class and identification of activities on the course evaluations. More detailed surveys need to be submitted.

⁸¹ The IAR/TRE Catholic framework for stakeholder management is conceptual tool that integrates Catholic Tradition, Philosophical Principles, and human experience into the decision-making process in a more comprehensive and systematic manner. "Stakeholder management" is essentially a more recent and comprehensive permutation of business ethics, which can be easily and practically applied to a variety of business situations. Stakeholder Theory postulates that the modern business entity should be run for the varying benefit of all who have an interest or "stake" in the company's operations, and serves as the construct for stakeholder management's approach to business ethics (Donaldson and Preston, 1995).

⁸² In fact, the acronym itself alludes to the Trinity – at least for one author. Even the U.S. Bishops, relying on CST, "propose[d] an ethical framework that can guide economic life today in ways that are both faithful to the Gospel and shaped by human experience and reason." USCCCB, *Economic Justice All: Catholic Social Teaching and the U.S. Economy*, Chapter II, The Christian Vision of Economic Life, Part 8. Ethical Norms for Economic Life, par. 61, 1986.

⁸³ J.A. Weber, "Business Ethics Training: Insights from Learning Theory", *Journal of Business Ethics* 70:61-85 (2007).

⁸⁴ "That is, during communication with others, people learn to take other's points of view in consideration which translates into a choice of action that benefits others and thus increases the ethicality of the decision (Kohlberg 1969)" (Verbeke, Ouwerkerk and Peelen 1996, p. 1182). The added influence of peer groups and supervisors on the ethical decision making process and overall ethical climate make the collective, dynamic experience another indispensable and invaluable dimension of ethics training.

⁸⁵ Repetition and practice of new ethical decision-making skills increase the likelihood of mastery and that the skill will be used in the work environment (Leach and Liu 2003; May and Kahnweiler 2000). Specifically, training methods integrating the use of behavioral modeling, role-play, and those incorporating the potential for vicarious learning have been found to be particularly effective in increasing ethical reasoning skills among managers (Loe and Weeks 2000). Furthermore, ethics training should be sure to address the "the specific ethical issues faced by students in their particular context" (Valentine and Barnett 2007, p. 384) since the increased moral and practical relevance of such issues plays an important role in the perception of the organization's ethical climate and "accelerates progress in overall moral development" (Weber 2007, p. 64).

⁸⁶ USCCB, *Economic Justice for All: Catholic Social Teaching and the U.S. Economy*, Chapter II, The Christian Vision of Economic Life, Part 8, Ethical Norms for Economic Life, par. 61 (1986).

⁸⁷ See Bandsuch and Winsor (2005) "The URJCO Model of Stakeholder Management: A Practical Approach to Business Ethics," in *Fulfilling Our Obligation: Perspectives on Teaching Business Ethics*, Sheb True, Linda Ferrell and O.C. Ferrell, eds., Kennesaw, GA: Kennesaw State University Press, 167-186.

⁸⁸ The process also, through its use of real ethical issues, improves recognition of moral dilemmas (ethical sensitivity), which is the initial and quite critical dimension of most moral reasoning models. Hunt, Shelby D. and Scott Vitell, "A General Theory of Marketing Ethics: A Retrospective and Revision," in *Ethics in Marketing*, John A. Quelch and Craig Smith, eds., Chicago: Irwin, 775-784 (1993).

⁸⁹ M. Bandsuch and R. Windsor, "The URJCO Model of Stakeholder Management: A Practical Approach to Business Ethics," in *Fulfilling Our Obligation: Perspectives on Teaching Business Ethics*, Sheb True, Linda Ferrell and O.C. Ferrell, eds., Kennesaw, GA: Kennesaw State University Press, 167-186 (2005).

⁹⁰ Sean Valentine and Tim Barnett, Perceived Organizational Ethics and the Ethical Decisions of Sales and Marketing Personnel, *Journal of Personal Selling and Sales Management*, 27, 373-388, 384 (2007).

⁹¹ J.A. Weber, "Business Ethics Training: Insights from Learning Theory", *Journal of Business Ethics* 70:61-85, 64 (2007).

⁹² Sean Valentine and Tim Barnett, Perceived Organizational Ethics and the Ethical Decisions of Sales and Marketing Personnel, *Journal of Personal Selling and Sales Management*, 27, 373-388, 384 (2007). (Valentine and Barnett 2007, p. 384)

⁹³ MT 25:31-46

⁹⁴ See William Spohn, *Go and Do Likewise* (NY: Continuum, 1999).

⁹⁵ Lateran Treaty, Art. 12. (1929).

⁹⁶ Vienna Convention on Diplomatic Relations, Art. 16, sec. 3, (1961).

⁹⁷ We abbreviated and summarized this section since it adheres to traditional business ethics, yet trying to present any significant differences.

⁹⁸ John R. Boatright, *Ethics and the Conduct of Business*, 4th ed., Upper Saddle River, NJ: Prentice Hall, (2003), p. 34.

⁹⁹ "Deon" means duty, necessity, or obligation in Greek.

¹⁰⁰ Rawls, John (1971), *A Theory of Justice*, Cambridge, MA: Harvard University Press.

¹⁰¹ Examples of fundamental right would be the right to vote, to hold property, to food and shelter, to speech, to privacy, to certain information, and to related liberties.

¹⁰² Manuel G. Velasquez, *Business Ethics: Concepts and Cases*, Upper Saddle River, NJ: Prentice Hall (2002).

¹⁰³ Rawls actually lists the betterment of the least advantaged as its own separate exception justifying an apparently questionable distribution. For simplicity sake, it is combined here with the other justifications for less than perfectly equal distributions.

¹⁰⁴ Edmund L. Pincoffs, *Quandries and Virtues: Against Reductionism in Ethics*, Lawrence: University of Kansas Press (1986).

¹⁰⁵ In order to gain full advantage of the insight from another ethical principle and to avoid duplication, none of the previously mentioned principles (care, utility, rights, or justice) should be used as the organizational ethic (or personal ethic). Neither should the legal or economic ethic be used here as the organizational or personal ethic because these two principles are already integrated into the dimensions of utility, rights, justice and care.

¹⁰⁶ As to religion, strength of religious beliefs (but not denomination or value orientation) was found to be strongly related to ethical behavior. McNichols, C. W. and T. W. Zimmerer, "Situational Ethics: An Empirical Study of Differentiators of Student Attitudes," *Journal of Business Ethics*, 4, 175-180 (1985).

¹⁰⁷ Comparable sayings to the Golden Rule, found in MTT 7:12 of Christian scripture, can be found in other religious traditions.

¹⁰⁸ The principles of Justice and Care may have some connection to virtue ethics when the objective is to become a just or caring person, instead of simply determining what is a just or caring action under the circumstances. This is another example of the interrelatedness of the Six Principles Model

¹⁰⁹ The legal ethic is already incorporated in our framework under the rights principle since the law essentially establishes enforceable rights and duties.

¹¹⁰ Another way to integrate the Catholic dimension into business ethics is to simply include it as another principle among the traditional philosophical principles – or as a possible choice of the personal or organizational ethic. But the Catholic position on scripture and CST would seem to require that it be elevated in status within the reasoning process.

¹¹¹ O.C. Ferrell, Debbie Thorne LeClair and Linda Ferrell, "The Federal Sentencing Guidelines for Organizations: A Framework for Ethical Compliance," *Journal of Business Ethics*, 17, 353-363 (1998).

¹¹² However, in more difficult cases, the company must prioritize the rights and duties, determine the extent of their infringement, and also reexamine closely the stakeholder relationships, benefits and burdens in coming to a final decision. The Organizational principle should always play a crucial role in all decisions.

¹¹³ Terry W. Loe and William A. Weeks (2000), "An Experimental Investigation of Efforts to Improve Sales Students' Moral Reasoning," *Journal of Personal Selling & Sales Management*, 20 (4) (Fall), 243–251, 248 (2000).

¹¹⁴ A. Barrera, "Social Principles as a Framework for Ethical Analysis (With an Application to the Tobin Tax)," *Journal of Business Ethics*, v. 23. p. 377-388.

¹¹⁵ See R. Greenaway, *Experiential learning articles and critiques of David Kolb's theory, 2002*
<http://reviewing.co.uk/research/experiential.learning.htm>

¹¹⁶ Sarah L. Ash, Patti H. Clayton, Maxine P. Atkinson, "Integrating Reflection and Assessment to Capture and Improve Student Learning," *Michigan Journal of Community Service Learning*, 11(2), 49-60 (2005).