

The Social Responsibility of the Business Leader

Robert Kennedy

Sr Abascal wisely begins his remarks by reminding us that ethics is not a foreign constraint on human behavior, but a guide that directs our activities, whether private or social, toward greater peace and fruitfulness. He further reminds us that business activities have taken on a different character from the one they once had. Business people now have an effect on the lives of individuals and communities that was once reserved to governments and kings, if even there.

Economic activity, for the first time in human history, has succeeded in creating a great deal of new wealth in a short period of time. This success has extended the benefits of security and comfort to more people than ever before, but in absolute numbers more people than ever before still live in crushing poverty. This “social” success of our business system is marred by our apparent inability to extend its benefits to the entire human race.

Furthermore, the greatly increased impact of business around the world has challenged the integrity and stability of the natural world in ways we cannot yet understand and may well not be able to control. Finally, the culture of business is having an unprecedented effect on the “ecology” of human societies, and is shaping the character of individuals in new, and often unhealthy, ways.

At the beginning of a new millennium, Sr Abascal also reminds us that we can look back on the resolution of a century-long struggle for the soul of modern economic activity. Marxist-Leninist thought has destroyed itself in practice, and various attempts to define a “Third Way” have died at birth. What remains, apparently, is a liberal and individualistic conception of the person and of economic activity that, tragically, does not contain within itself the power or the tools to avoid or correct the harms it will inevitably cause. I say “tragically” here because the essence of tragedy is the destruction of greatness by flaws that can be seen but not overcome. Modern liberal economics, which defines so much of modern business practice, is tragic because of its dogmatic belief in the marketplace and its refusal to see business practices as a part of a larger whole that must be properly integrated.

In saying this I do not wish to be understood as an advocate for centrally-controlled economies. This is not my position. Instead, like Sr Abascal, I would insist that business practices of all sorts need to be directed by a sound ethical theory grounded in a true and proper anthropology. Economic theory tends to see unconstrained business practices as self-correcting, mending their own flaws and healing the harms they create. The reality is that modern business practices are awesomely powerful tools that may not be toxic in themselves, but are easily corrupted if poorly directed. The requisite direction, as Sr Abascal suggests, is properly provided by ethics, and the need for ethics to do its job is so great because the impact of business on our world is so great.

What does this mean for the school of business and the business professor? Above all, I think it means that we must be clear about what it is we aim to do in business education. In the United States especially, higher education is increasingly seen today as a tool for enhancing the personal success and satisfaction of the individual. More and more schools promote themselves for their supposed ability to make it possible for their graduates to enter successful careers, by which we really mean stable, high paying jobs. This is especially true of professional schools, and none more so than business schools. In other words, where it was once a large portion of the objective of higher education to prepare men and women for a more human life—and yes, for a career as well—the career orientation is now dominant. This puts enormous pressure on business professors, whether we acknowledge it or not, to be purveyors of techniques and practices that are efficient and effective, but detached from what it means to be a human person.

I suggest that our task is to recover a sense of what we really ought to be about. This begins, I think, with the conviction that the purpose of business schools is to train professionals, properly understood. A professional is a person equipped by training and character, to make sound judgments about serious matters in conditions of uncertainty. Professionals contribute in fundamental ways to the well-being of society, and they take on a solemn responsibility for that well-being. Given the importance of business practice to modern society, and the education required to manage complex businesses well, we must be prepared to see the education of business students as the education of responsible professionals. This means that it is not as a process of giving individuals private tools for competing successfully against others and thereby enhancing their personal well-being. It is instead a process of equipping them to make their proper contribution to their communities, including the global community.

More specifically it means that business professors, whatever their discipline, must help students not only to understand the discipline (there is no substitute for this) but also to see their professional practice in the context of the three areas that Sr Abascal mentioned at the beginning of his paper. First, they ought to see their work as directed toward the creation and just distribution of wealth. In terms of the Catholic social tradition, they are collaborators in the unfolding of creation in a special way, making the inherent riches of God's world actual and available to every member of the human family.

Second, they ought to be ever mindful of the harm we are capable of doing to this world through wasteful practices, practices that exchange benefits now for harms later. Accountants can be encouraged to find better ways to recognize and measure these wastes, operations managers need to devise better practices, and marketing people ought to be more prudent about what they promote, to give a few examples.

Finally, all business students should be compelled to reflect on the business culture to which they propose to dedicate their careers. Will be this a culture of peace, friendship, and prosperity, or a culture of competition, distrust, and injustice? Will parents find in business a culture supportive of whole human lives or must they sacrifice their families in their efforts to earn a living? These questions must be confronted and the myths of

hypercompetiveness criticized. There are other models of organizing firms to which our students must be exposed.

Sr Abascal has challenged us to reconsider standard business practices in the light of larger and more genuine human needs. I am grateful for his remarks and hopeful that those of us in business schools may find the strength and the means to meet that critical challenge.

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