

CHRISTIAN FAITH AND THE MANAGEMENT PROFESSION: ENGAGING FINANCE AND CHRISTIAN SOCIAL THOUGHT

THEOLOGY 306/CATHOLIC STUDIES 306

SPRING 2005

OEC 306

T-Th 9:55-11:35

INSTRUCTORS:

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Please feel free to see either of us about any problems that may occur during the semester, whether class related or not.

OFFICE HOURS:

Naughton: 8-9 T-TH and by appointment. Feel free to stop by my office anytime.

Jaiswal-Dale: 8:30-9:30 T-TH in MCN 317 and by appointment.

REQUIRED TEXTS: C.S. Lewis, *The Great Divorce*; Packet (various articles); Josef Pieper, *Leisure as the Basis of Culture*; Helen Alford and Michael Naughton *Managing as if Faith Mattered: Christian Social Principles in the Modern Organization*

THE VOCATION OF THE STUDENT:

“Students are challenged to pursue an education that combines excellence in humanistic and cultural development with specialized professional training. Most especially, they are challenged to continue the search for truth and for meaning throughout their lives, since ‘the human spirit must be cultivated in such a way that there results a growth in its ability to wonder, to understand, to contemplate, to make personal judgments, and to develop a religious, moral and social sense.’ This enables them to acquire or, if they have already done so, to deepen a Christian way of life that is authentic. They should realize the responsibility of their professional life, the enthusiasm of being the trained ‘leaders’ of tomorrow, of being witnesses to Christ in whatever place they may exercise their profession” (John Paul, *On Catholic Universities*).

**If you need course accommodations due to a disability, please make an appointment in the Enhancement Program - Disability Services, located on the St. Paul campus in Aquinas Hall, room 110, 651-962-6315.

COURSE DESCRIPTION:

This course introduces different facets of a conscientious approach to financial management contributing to the productive entity and to the common good. This examination is done within the Christian social tradition, through an exploration of the theological relationship between work as a vocation and leisure as contemplation.

COURSE OBJECTIVES:

1. **To Provide a University Capstone Experience:** To provide an interdisciplinary engagement of organizational thought and theological resources so students can begin to participate in a powerful integrating experience of liberal and professional education.
2. **To Engage in a Theological Grounded Conversation:** To understand the theological reasoning behind the Christian tradition's understanding of work and leisure as the basis to faith-filled response to finance.
3. **To Explore Institutional Possibilities:** To apply philosophical and theological knowledge to financial issues and problems.
4. **To Enter into Public Discourse:** To engage in dialogue with those of differing opinions in an open, critical, and creative way. This will entail discussions concerning the language we use to bridge faith and work within organizational life.

COURSE REQUIREMENTS:

- 1) Participation (including questions): 100 pts.
- 2) C. S. Lewis Paper: 100 pts.
- 3) Vocational Autobiography: 100 pts:
- 4) Research Paper / Presentation: 150-200 pts.

(Point value for each area is subject to modification.)

PARTICIPATION (Solidarity and Opposition):

Due to the nature of this course, your constructive participation is necessary for the class to be beneficial. We all have something to learn and something to teach, and we can only accomplish this task through attentive listening and constructive participation. As Josef Pieper states: *Anyone who considers dialogue, disputation, debate, to be a fundamental method at truth must already have concluded and stated that arriving at truth is an affair that calls for more power than the autarchic individual possesses. He must feel that common effort, perhaps*

the effort of everybody, is necessary. No one is sufficient unto himself and no one is completely superfluous; each person needs the other; the teacher . . . needs the student.

Your participation grade will be based on the following criteria:

- 1) Attendance: If you are not in class you cannot participate. Absences will hurt your grade. If you miss more than ten classes you will most likely fail. There are legitimate reasons for absences, but unless the absence is because of some major event (such as a death in the family) you lose the points. Please be sure to keep us informed about reasons for your absences. While your presence is necessary, it is not a sufficient element for a good participation grade. You need to be prepared and engaged.
- 2) Preparation for class: In the schedule below, each reading assignment has a series of study questions. You are to answer the questions in written form. Periodical throughout the semester (5-10 times) we will *collect* the questions. Each question is worth one point. If you plan not to be in class, be sure to hand in the questions prior to class; otherwise, you lose the points. Your answers to these questions must be detailed, in complete sentences and based in the text. *Be sure to leave wide margins for class notes next to each question.*
- 3) Quality: We know this can be a rather subjective criteria, but well thought out comments backed by information from your readings and research will be evident. Mere opinion does not cut it. You must back your opinions with well-reasoned arguments. This of course implies plurality and academic freedom.

For a more practical guide on how we plan to grade participation, see the last page of this syllabus.

PAPER ON THE GREAT DIVORCE (2/22 – 2/24)

Respond to the following questions:

Introduction: What do you take to be the key points to Lewis' book, especially in terms of the ideas we discussed in class?

- 1) Which character do you find most intriguing and why (mention characters other than those in question 2 and 3)? (1 page)
- 2) Are there experiences in your life that connect with any part of the book (mention characters other than those in question 1 or 3)? (1 page) In answering this question, don't simply think of connecting similar situations with characters in the book, but rather go more deeply and examine whether there are patterns or habits of thinking and acting that are similar to characters in the book.
- 3) **Integration:** Evaluate Ikey/entrepreneur (Chapts 2 and 6), the academic/Bishop (the man with the gaiters) (Chapts. 2 and 5) and the Artist in light of the course thus far. Use specific ideas primarily from Pieper as well as references from class discussion and other shorter texts we have discussed (4 pages). Be sure to use different ideas of the course for the three different characters. The heart of the assignment lies in this section by your ability to *integrate* Pieper's *Leisure the Basis of Culture*. Don't merely assert connections between the ideas of the class and Lewis, but explain what they mean according to Pieper and the other authors. For each of the three characters, use one concept from class to examine the character and his situation. Be sure to use a different

concept for each person (e.g., leisure/worship, ratio/intellectus, proletariat/deproletarizing, and so forth). Use quotes selectively from your readings.
Conclusion: What does the entrepreneur, bishop and artist have in common both in terms of what we have discussed in the course thus far and in terms how they are portrayed by Lewis (e.g. where do all three go after their conversations?)?
Draft (2/22) Final Draft (2/24)

VOCATIONAL AUTOBIOGRAPHY (3/10)

Vocational autobiography, approximately 5-7 pages (longer if you wish):

- a) Cite and trace the main influences and motives that have shaped your decisions for a career or a profession. The purpose is to encourage some self-reflection so as to see patterns and influences that operate in your life choices in light of the course materials. Do your best to highlight a one or two stories, experiences, incidents that were defining in terms of your work. What have been the tapes you have been playing in your head concerning your career? Be sure to focus on the question of leisure, practice, virtues and the subjective dimension of work. How has your conception of leisure influenced your choice for work? Have you thought of your work as a practice? Is your work only about external goods or do you think of your work in terms of internal goods? (do this section before reading Hardy).
- b) What are the guidelines or steps of choosing an occupation from a Christian perspective in Hardy--Chapter 3 (one page)?
- c) Compare and contrast a and b (one page).
- d) As a conclusion write a ½ half page mission statement describing the purpose of your work.

RESEARCH PAPER AND PRESENTATION (05/19):

Identify a topic in finance that you would like to pursue further. There will be three groups formed. Each group will research a given topic in light of the course materials and present it to the class for discussion. This is a professional piece of research, followed by peer evaluation at the time of presentation. You are encouraged to use all the material presented in class while supplementing this with original research of your own. You will be guided in this research and are encouraged to contact thought leaders in this field on and off campus. Possible topics could be:

- Outsourcing
- Consumerism and Scarcity of Resources
- Financial vs Leisure Time
- Financial Theory of the Firm and Common Good
- Others

Extra Credit

Throughout the semester opportunities arise for extra credit assignments such as

reporting on special events and speakers. These assignments provide minimal point value. The maximum is 3 points per assignment, with a limit of three assignments. We encourage extra credit, but as a way to raise your grade it is extremely inefficient. If you have limited time, be sure to spend your time on reading the assignments, reviewing for the exam, and writing your papers.

TENTATIVE SCHEDULE

I. Context: Leisure as the Basis to the “Good” Financier?: The Theological Foundation to Good Work (leisure/work, receipt/achievement, active/contemplative, etc.)

2/1 Outline Course

2/3 Naughton “Leisure as the Basis of Work” and David Brooks, “The Organization Kid” (selections, Packet)

- 1) *Where do you see yourself on the work spectrum of job/career/vocation? Where do you see yourself on the leisure spectrum of amusement/utility/contemplation? Be sure to explain why you see yourself on this point of the spectrum.*
- 2) *Do you agree with the thesis of this essay “if we don’t get leisure right we won’t get work right”?--explain why.*
- 3) *Explain in your own words Newman’s distinction and dynamic between education as good and education as useful. Explain how this distinction plays itself out in David Brooks’ article “The Organization Kid.”*
- 4) *Explain whether you think Brooks’ critique applies to you and students at St. Thomas.*

Extra Credit: St. Olaf’s Catholic Church Faith and Work Breakfast, 7:30 am, see Dr. Naughton for more details.

2/8 Josef Pieper *Leisure as the Basis of Culture* Chapters I, and II, and Irvin Yalom, “Life in the Balance” (Packet)

- 1) *Define leisure according to Pieper.*
- 2) *Distinguish between ratio and intellectus. Why is this distinction critical in understanding leisure?*
- 3) *What are some threats to authentic leisure?*
- 4) *Find illustrations of Pieper’s work in Yalom’s article (be specific).*

2/10 Pieper, *Leisure as the Basis of Culture* Chapters III and IV and Michael Lewis, “25-7?” (Packet)

- 1) *Define Acedia.*
- 2) *How do you deproletarianize the worker?*
- 3) *Describe Pieper’s distinction between honorarium and wage?*

4) *What is the connection between chapter IV of Pieper and Lewis' article?*

Video: *The Personal Side*

2/15 Pieper, *Leisure*, Chapter 5

1) *What are the major claims Pieper makes in this chapter?*

Discuss C.S. Lewis Assignment

2/17 John Kavanaugh, "Last Words" (Packet) and watch the movie *The Doctor* before you get to class (on reserve—Library 308).

Reflection: Why according to Pieper, would the doctor be considered a proletariat? How did the doctor become *deproletarize*? What causes leisure in the doctor's life? What scenes or pieces of dialogue remind you of acedia and ratio/intellectus? Did you learn anything about yourself in watching this movie? (1 page single spaced type).

Liberalism and Lewis: more on *The Great Divorce* paper.

2/22 C.S. Lewis, *The Great Divorce*

Drafts are due: Participation points

2/24 C.S. Lewis, *The Great Divorce*

Assignment Due:

II. Finance as a Vocation/Practice/Profession

3/1 Introduction to the Catholic Social Tradition: John Paul II, *Laborem exercens* Chapters I – II (<http://www.cin.org/jp2doc.html>) and Alford and Naughton *Managing as if Faith Mattered* pp 7-21

- 1) *What did you find most compelling about the section you read? What did you find most problematic about it? (In answering these questions bring in your understanding and experience of work and ask yourself whether John Paul is on another planet or whether he is tapping into deeper dimensions of work and human fulfillment.)*
- 2) *What does John Paul mean by the subjective and objective dimensions of work? (Be sure to bring out the multiple dimensions of this question, especially as it relates to the subjective dimension of work.)*
- 3) *In Alford and Naughton explain the various reasons for our split personalities and divided lives? What are the sources of this division, where do they come from and do you agree with analysis of the authors? (The authors like it when students disagree!)*

Guest Speaker: Robert Ouimet, President of Ouimet Industries, Montreal

3/3 *Schindlers List*: Watch the movie before coming to class and answer in one page (single spaced typed) the following 3 questions:

1. *Describe Oscar Schindler at the beginning of the movie as a man and as an entrepreneur. What is his view of business, of himself, of the Jewish workers, of the German military?*

2. *When does Schindler begin to see more fully what is happening? What ideas from class can help you understand his ability “to see the whole.”*
3. *Describe Schindler at the end of the movie as a man and as an entrepreneur? What is his view of business, of himself, of the Jewish workers, of the German military?*

3/8 Geoff Moore, “On the Implications of the Practice—Institution Distinction . . .” (Packet)

- 1) *Explain in your own words what Moore and MacIntyre mean by a “practice.”*
- 2) *Explain the distinction between internal and external goods and how this connects to the distinction between practice and institution.*
- 3) *In light of what we have discussed thus far in this class, can you conceive of finance as a practice.*
- 4) *Using your understanding of the subjective dimension of work and Moore’s notion of a practice, examine Oscar’s Schindler’s understanding of business.*

Discuss Research Papers

3/10 Hardy *The Fabric of This World* “Work Life and Vocational Choice” (Packet)

Guest Speaker: Sherman Otto, Retired Chief of Police for Maple Grove, MN.

Vocational Autobiography Assignment Due

III. Finance – A tool to achieve the common good through conscientious business practices.

3/15 Financial Practices / Business Practices are the results of socio-economic and political philosophies and thought processes. Deliberate choices made with the intention of pursuing certain objectives.

**Video: “Commanding Heights: The Battle for the World Economy” -
The Battle of Ideas, the Agony of Reform and the New Rules of the Game**

3/17 Research Papers and Presentation: Meet with your groups to discuss your theme, current research, ideas for presentation, etc.

SPRING BREAK: HAPPY EASTER

3/29 Global Economic Environment and Financial Decision Making, *The Region, Federal Reserve Bank of Minneapolis, 2003 Operations Report*. “The industrial revolution, past and future” by Robert E. Lucas Jr. (Handout)

- 1) *We live in a world of staggering and unprecedented income inequalities. How are we to interpret the success and the failures?*
- 2) *Are we to blame economic history known to Adam Smith and Ricardo and other thinkers who have helped us form our vision?*
- 3) *How best can we assess the world’s future economic prospects?*

Video“Commanding Heights: The Battle for the World Economy”

- 1) *What are some of the critical concerns about the new interconnected world?*
- 2) *Where in lies the solution – in a government controlled economy or in a free market economy?*
- 3) *What are the promises and the perils of a global economy?*

3/31 Comparison of business environments – USA versus the EU; Work and Leisure issues in different societies, Adam Gopnik, “Paris to the Moon” (Handout)

- 1) *Throughout Paris to the Moon, Adam Gopnik seems to be writing about small things – Christmas lights, fax machines, attitude of the elevator operators in public places – but he tries to find in them larger truths about the differences between French (European) and American life. Can the shape of big things be found by studying small ones?*
- 2) *Is it possible to see the world in a grain of sand?*
- 3) *What overlooked small things in our American life seem to resonate with larger meanings? And how does this connect to Work versus Liesure?*

Video: *The Cultures of Commerce*

Wolfgang Munchau, “Europe can thrive at its own pace”; Craig Smith, Why good works are stuck in a corporate ghetto”; Sarah Murray, “More than a round table conference”. (Handouts)

- 1) *Can the EuroZone afford to abandon its socio-economic model for a US style system?*
- 2) *The amount spent on corporate social responsibility versus corporate marketing – should there be a connection between these two budgets for any given firm?*
- 3) *Are alliances between multinationals and Non Government Organizations (NGOs) the answer to address work and leisure issues in different societies?*

The conscientious financial manager

4/5 Wealth Maximization: Alford and Naughton *Managing as if Faith Mattered* 21-49 (answer question 3 at the end of Chapter 1 and question 1 at the end of the chapter 2);

J.S. Lublin “Back to School” (Handout)

1) *Since the Board Director’s are the gatekeepers of corporate governance, should they go back to school to get a proper finance education in context of the contemporary market place?*

Video: *Merchants of Cool*

4/7 Wealth Distribution: “Thinking through Ownership and Private Property” Alford and Naughton, *Managing as if Faith Mattered* Chap. 6

Answer Study Questions at the end of the chapter.

Guest Speaker: Steve Sheppard, guest speaker

4/12 Globalization and Outsourcing: “Paying People Fairly and the Subjective Dimension of Work”: Alford and Naughton *Managing as if Faith Mattered*--Chap. 5 (wages); **Answer Study Questions at the end of the chapter** (Alford and Naughton). Khozem Merchant, “Selling India’s organized shanty town to the West”; Joanna Slater, “In India, a job paradox”; Vijay Joshi, “Myth of India’s outsourcing boom.” (Handout)

- 1) *“Outsiders only see poverty. I see an emerging class ripe for services”. How do you*

view this situation?

- 2) *India's workforce outpaces job creation, whose problem is this?*
- 3) *East Asian countries including India and China are experiencing strong export led growth. Is this growth shared by all in the country?*

4/14 The Drive Behind Globalization – IT and Financial Markets: Case Study on “LTCM – Long Term Capital Management” (packet)

1. *Discuss the interconnections within the global OTC market that have the potential for mutual gains or losses possibly running into billions of dollars?*
2. *What are the limitations of the use of the derivative contracts for hedging and speculation? Are these limitations due to the theoretical rigor or due to the unpredictability of market psychology? Can the two be reconciled? How does the field of behavioral finance explain the connection between the mathematical rigor and market application?*
3. *What is the role of the human element, particularly the financial service industry?*
4. *What are the ethical responsibilities of LTCM to its investors? What is the role of the regulating agency(s) in policing the potential of the derivative market?*

Video on LTCM – Trillion dollar bet: Was the hedge fund justified in its investment strategy?

4/19 The Drive behind Globalization – Consumerism and the Response of Businesses: *Centesimus annus*, chapter 4 (packet); Robert Flint, “How Wal-Mart Treads Heavily in foreign exchange forest” (Handout)

- 1) *American consumers plunk down their dollars on the counters of Wal-Mart stores, eager to pay bargain prices for toys, electronics items and apparels. Is this thirst for the best and the cheapest sustainable and for how long?*
- 2) *Discuss the notions of global consumerism and the responses of businesses in the light of Work and leisure.*

Scarce Resources and Financial Decisions

4/21 Shortage of Power: Enron (Handout)

Video: Enron

- 1) *Can Enron be blamed for filling in the vacuum of major power shortage worldwide?*
- 2) *If not Enron perhaps there will be another? Discuss.*

4/26 Case: The Baku-Tiblisi-Ceyhan Pipeline: The Race for Oil (Handout)

Video: Extreme Oil

J Blas and K Morrison, “Oil Cartel aims for higher price and output” (Handout)

- 1) *Are pipelines like the BTC prudent projects?*
- 2) *Are there other responses like lower consumption to the looming shortage of oil and gas?*
- 3) *Is the global power shift in oil consumption and production good for our future?*

4/28 What then constitutes conscientious financial management in this global context of impending scarcity?

IV. How does the Good Financier sustain the Good Organization? Developing a Spirituality of Work of Balance and Integration What spiritual practices are necessary to live a life of virtue in the entrepreneurial world?

5/3 Naughton and Alford, *Managing as if Faith Mattered* Chapter 8 **Answer Study Questions at the end of the chapter.**

Video: Rabbi Jeffery Salkin

5/5 Naughton and Alford, *Managing as if Faith Mattered* Chapter 9

- 1) *What is your experience of the liturgy, of church service, of synagogue, etc.?*
- 2) *According to Rahner, why would this book not be complete without a discussion of the connection between liturgy and work?*
- 3) *What does the word liturgy mean and how does the Offertory reflect this meaning of liturgy?*
- 4) *Why is the liturgy so important to personal spirituality?*

Continue Film: *On the Waterfront*

5/10 Eastern Spirituality: Dialogue between the Christian Faith and Eastern Religious Philosophies.

Guest Speaker: Dr. Rambachan from St. Olaf College

5/12 Conclusion: Silence, Evaluations, Final Assignment, etc.

5/19 8:00 – 10:00 Final Exam/Presentation

PRAYER OF ST. THOMAS

GRANT O MERCIFUL GOD
 THAT I MAY ARDENTLY DESIRE
 PRUDENTLY EXAMINE
 TRUTHFULLY ACKNOWLEDGE
 AND PERFECTLY ACCOMPLISH
 WHAT IS PLEASING TO THEE
 FOR THE PRAISE AND GLORY OF THY NAME

Expectations for Class Participation

(Information Given to the Students)

Participation is graded on a scale from 0 (lowest) through 4 (highest), using the criteria below. The criteria focus on what you demonstrate and do not presume to guess at what you know but do not demonstrate. This is because what you offer to the class is what you and others learn from. I expect the average level of participation to satisfy the criteria for a "3".

Grade	Criteria
0	Absent.
1	<p>Present, not disruptive.</p> <p>Tries to respond when called on but does not offer much.</p> <p>Demonstrates very infrequent involvement in discussion.</p>
2	<p>Demonstrates adequate preparation: knows basic assignment or reading facts, but does not show evidence of trying to interpret or analyze them.</p> <p>Offers straightforward information (e.g., straight from the assignment or reading), without elaboration or very infrequently (perhaps once a class).</p> <p>Does not offer to contribute to discussion, but contributes to a moderate degree when called on.</p> <p>Demonstrates sporadic involvement.</p>
3	<p>Demonstrates good preparation: knows assignment or reading facts well, has thought through implications of them.</p> <p>Offers interpretations and analysis of assignment material (more than just facts) to class.</p> <p>Contributes well to discussion in an ongoing way: responds to other students' points, thinks through own points, questions others in a constructive way, offers and supports suggestions that may be counter to the majority opinion.</p> <p>Demonstrates consistent ongoing involvement.</p>
4	<p>Demonstrates excellent preparation: has analyzed assignment exceptionally well, relating it to readings and other material (e.g., readings, course material, discussions, experiences, etc.).</p> <p>Offers analysis, synthesis, and evaluation of assignment material, e.g., puts together pieces of the discussion to develop new approaches that take the class further.</p> <p>Contributes in a very significant way to ongoing discussion: keeps analysis focused, responds very thoughtfully to other students' comments, contributes to the cooperative argument-building, suggests alternative ways of approaching material and helps class analyze which approaches are appropriate, etc.</p> <p>Demonstrates ongoing very active involvement.</p>