

# *Journal of Religion and Business Ethics*

---

*Volume 1, Issue 1*

2009

*Article 2*

---

## Culture as the Basis of The Good Entrepreneur

Michael Naughton\*

Jeffrey R. Cornwall†

\*University of St. Thomas, [mjnaughton@stthomas.edu](mailto:mjnaughton@stthomas.edu)

†Belmont University, [cornwallj@mail.belmont.edu](mailto:cornwallj@mail.belmont.edu)

Copyright ©2009 by the authors. *Journal of Religion and Business Ethics* is produced by The Berkeley Electronic Press (bepress). <http://via.library.depaul.edu/jrbe>

# Culture as the Basis of The Good Entrepreneur

Michael Naughton and Jeffrey R. Cornwall

## **Abstract**

Human beings may have conquered markets, introduced technical innovations, built enterprises, and accumulated great wealth, but we may be failing in one of the most important tasks of our culture – the passing on of a moral tradition that builds good character in our children that contributes to the moral and spiritual capital of the country. Entrepreneurs are not only a powerful force in our economy, but also our culture because they create trends, break molds, and cause significant changes within society. Their enormous creativity stems from their skills, experiences, and characteristics – habits if you will – that some people describe as “entrepreneurial virtues.” Christianity and particularly Catholicism, for example, has developed a social tradition that reconnects the entrepreneur’s work to a moral and spiritual vision of the enterprise. When Christian culture is at its best, it generates an economic order that humanizes the entrepreneurial realm in a way that generates faithful companies that contribute to the common good.

One of the more tragic scenes in American film is found in *The Gladiator* when Caesar (Richard Harris), who is growing old, has to choose his imperial successor. He has come to the heartrending realization that his own son, Commodus (Joaquin Phoenix), is too corrupt to lead Rome. Caesar informs his son that he will give his rule to Maximus (Russell Crowe), the good and virtuous general. Devastated by the news, Commodus' response confirms Caesar's judgment:

You wrote to me once, listing the four chief virtues. Wisdom, Justice, Fortitude and Temperance. As I read the list I knew I had none of them. But I have other virtues, father. Ambition, that can be a virtue when it drives us to excel. Resourcefulness. Courage. Perhaps not on the battlefield but there are many forms of courage. Devotion, to my family, to you. But none of my virtues were on your list.

Overwhelmed with sadness by his son's inability to connect virtue to the good of the commons, Caesar confesses to Commodus: "Your fault as a son is my failure as a father." Caesar, the father, who has conquered many lands, did not conquer the small-mindedness of his own son's vision of the good. His failure as a father to pass on the virtues of wisdom, justice, fortitude, and temperance to his own child was also a failure as a leader, since it was the possession of these virtues in each succeeding generation on which the greatness of Rome depended.

This scene raises many important questions for us today. What virtues are we passing on to our children, and where do these virtues come from – the state, economy, culture? What makes a country good depends upon what is passed on to the next generation. We certainly have to pass on property, institutions, resources, skills, and knowledge. But these things by themselves do not make us good. We have to educate and form our children in the virtues, in particular the chief or cardinal virtues, those virtues that develop the physical, emotional, social, and spiritual dimensions of our whole selves.<sup>1</sup>

Yet, increasingly it seems, especially for us in the US and Western society in general, our language, our education, and our principles have made this holistic development of the person more difficult. David Brooks, in interviews with students from Princeton University, described them as "lively conversationalists on just about any topic – except moral argument and character-building." He

This paper is a revision of the first chapter of our book *Bringing Your Business to Life* (Ventura, CA: Gospel Light, 2008). The title of this essay is adapted from Josef Pieper's book, *Leisure: the Basis of Culture* (South Bend: St. Augustine's Press, 1948/1998).

<sup>1</sup> See Josef Pieper, *The Four Cardinal Virtues* (Notre Dame, IN: University of Notre Dame Press, 2006) and Alasdair MacIntyre, *After Virtue* (Notre Dame: University of Notre Dame Press, 1984). See also Robert Kennedy, *The Good That Business Does* (Grand Rapids: Acton Institute, 2006).

explains that while their “parents impose all sorts of rules to reduce safety risks and encourage achievement, they do not go to great lengths to build character, the way adults and adult institutions did a century ago... When it comes to character and virtue, these young people have been left on their own.”<sup>2</sup> Like Caesar, we may have great achievements in our lives. We may have conquered markets, introduced technical innovations, built enterprises, and accumulated great wealth, but we may be failing in one of the most important tasks of our culture – the passing on of a moral tradition that builds good character in our children that contributes to the moral and spiritual capital of the country.<sup>3</sup>

This failure is particularly seen in one of today’s most important economic *and* social forces in America and the rest of the world: entrepreneurship. When viewed over the long-term, the economic and cultural dimensions are inextricably intertwined.<sup>4</sup> Entrepreneurs are not only a powerful force in our economy, but also our culture because they create trends, break molds, and cause significant changes within society. What makes these individuals and small companies so powerful is what Leonardo Becchetti has called “contagious.”<sup>5</sup> Entrepreneurs are the ones who started social investment firms, Silicon Valley, fair trade coffee companies, computer software, microfinance institutions, and environmentally conscious businesses. They also started the massive pornography industry on the internet, violent video games, investment scams, pet rocks, and other superfluous and destructive products and services. These positive and negative realities within our society were not started by governments or multinationals, although some are now attempting to imitate these realities, but by individuals and small groups of people.

Entrepreneurs identify, evaluate, and seize opportunities that are new and creative and which eventually become a part of the social fabric of society. Their enormous creativity stems from their skills, experiences, and characteristics – habits if you will – that some people describe as “entrepreneurial virtues.” These virtues focus on the habits that generate and accumulate wealth: ambition, resourcefulness, ingenuity, diligence, perseverance, tenacity, and self-discipline.

While such virtues are necessary for successful entrepreneurship they ignore *the* question: for what *purpose* do I create wealth – myself, family, investors, the *commonwealth*, etc.? These entrepreneurial virtues can be exercised in new ways to fight cancer or market tobacco, in creating pornographic films or

<sup>2</sup> David Brooks, “The Organization Kid,” *The Atlantic Monthly* (April 2001) 40-54.

<sup>3</sup> See Theodore Malloch, *Spiritual Enterprise* (New York, NY: Encounter Books, 2008).

<sup>4</sup> See Robert D. Adkinson *The Past and Future of America’s Economy* (Cheltenham, UK: Edward Elgar Press, 2004).

<sup>5</sup> Leonardo Becchetti, “Contagious” *Small Good Firms: CSR and the Rise of “Social Market Enterprises*,” <http://www.stthomas.edu/cathstudies/cst/conferences/thegoodcompany/Good%20Company/Book%20of%20Summaries1.pdf>.

producing insightful historical documentaries. Such virtues, by themselves, do not determine whether wealth creation is good or not or whether the entrepreneur is good or not.

This essay challenges entrepreneurs to examine the moral and spiritual dimensions of their work by taking seriously the four cardinal virtues of prudence, justice, courage, and temperance. Such a perspective is mostly absent from the current literature available to entrepreneurs and businesspeople.<sup>6</sup> We believe that this agnosticism is one of the more serious deficiencies in entrepreneurship and business today. It generates a forgetfulness that fails to help entrepreneurs to remember who they are when they are at their best.<sup>7</sup> It short-circuits a moral reflection on the nature of their actions, the kind of entrepreneurs they are becoming and where they are ultimately leading their company. Its outcome is not so much bad character as lack of character – entrepreneurs who may display technical competence and Herculean feats, but whose moral and spiritual center have failed to develop because they have become too responsive to profit and productive pressures.<sup>8</sup> We have seen too many entrepreneurs morally and spiritually unprepared for the financial and psychological pressures they encounter in business. They naively thought that if they had the right technical skills and financial know-how that all would be well.

But not all is well. The last 10 years have revealed in rather dramatic ways the moral instability of business. The current financial crisis has and will continue to reveal that virtue cannot be discounted no matter how complicated the financial formulas. The earlier moral collapse of the dot.coms, Enron, and WorldCom were for the most part not caused by vicious people, but by technically skilled and financially knowledgeable people who lost sight of any moral norms in their attempts to achieve their economic goals. Without a rich understanding of the moral and spiritual implications of what people do in their businesses, they misunderstand their contribution to the wider society and ultimately lose perspective of their very selves and their companies.

This is why we need a publicly robust and morally and spiritually informed conversation about what we mean by the word *good*, and the virtues necessary for *being a good entrepreneur*. Once we enter into this conversation and begin to see concrete examples of the good entrepreneur and the good company, a more meaningful and more accurate understanding of what it means for the entrepreneur to create wealth (goods and services, jobs and benefits, etc.)

<sup>6</sup> Jeffrey Timmons, *New Venture Creation*, 5<sup>th</sup> edition (Boston, MA: Irwin/McGraw-Hill, 1999).

<sup>7</sup> See Joseph Ratzinger, “Conscience and Truth: The Essence of Morality,” <http://www.ewtn.com/library/CURIA/RATZCONS.HTM>, and Ken Goodpaster, *Conscience and Corporate Culture*, (Wiley-Blackwell, 2007).

<sup>8</sup> See Alasdair MacIntyre, “The Recovery of Moral Agency? *Harvard Divinity Bulletin* (vol. 28, no. 4, 1999): 7.

will become far clearer than how the entrepreneur is currently understood in the mainstream entrepreneurial literature.

We believe that this is the right time to engage this reality of the *good entrepreneur* for two compelling reasons. The first has to do with the sheer fact that an enormous shift has been occurring within our economy. We, in the US, as well as in other parts of the world, are increasingly becoming an entrepreneurial economy and unless we grasp the significance of this shift, we have deviated from dealing with real problems of today and tomorrow. The role of entrepreneurs in shaping the economy has become even more pronounced in light of the economic downturn that began in 2008, since it has been entrepreneurs who have led us out of every recession in modern times.

The second reason is the current dangerous state of the moral and spiritual *disconnectedness* within entrepreneurship and business in general and in the wider culture. We believe that this disconnectedness stems from a self-understanding of entrepreneurship that has for the most part unknowingly discarded the cardinal virtues and their cultural and spiritual underpinnings, which not only separates us from other people and the deeper reality of institutional life,<sup>9</sup> but causes a rift and divide within our very selves.<sup>10</sup>

In this essay, we examine these two reasons and conclude with the importance of *culture*, and particularly religious culture, as the moral and spiritual resource necessary to develop the cardinal virtues for becoming a good entrepreneur. The good entrepreneur is not only a self-project of individual determination and effort, but the formation of this person ultimately depends upon the culture and its institutions of family, education, and religion to give the formation that enables the entrepreneur to be good.

#### THE NEW ENTREPRENEURIAL ECONOMY

We have to take seriously the reality that entrepreneurs are now generating most of the economic growth around the globe. Economies go through long-term economic waves. These waves last for decades as major industries are developed, gain momentum, and eventually dominate economic and social systems. According to Robert Atkinson, the previous entrepreneurial era in America, when entrepreneurs fundamentally transformed the American economy, occurred over one hundred years ago.<sup>11</sup> In fact, almost all of the *Fortune 200* of the 1990s were

<sup>9</sup> See Hugh Helco, *On Thinking Institutionally*. Boulder, CO: Paradigm Publishers, 2008.

<sup>10</sup> Michael Naughton, "A Divided Life: One of the More Serious Errors for the Christian Professional" in *Scrutinizing the Signs of the Times in Light of the Gospel* Leuven University Press, Leuven, 2007, editor Johan Verstraten, pp. 289-308.

<sup>11</sup> Robert Atkinson, *The Past and Future of America's Economy*. (Cheltenham, U.K.: Edward Elgar, 2004).

already among the largest corporations in early 1900s.<sup>12</sup> Most of these businesses that dominated our economy during the twentieth century had been started by entrepreneurs in the late 1800s.

These same corporations not only dominated our economy for over a century, but became an integral part of our social and cultural fabric. They created the rise of a corporate economy and corporate society that eventually created a strong industrial/union/governmental alliance. Our culture has been shaped by companies in various facets of the transportation, communications, entertainment, and manufacturing industries that dominated the economy. Through these corporations and their unions, working with governmental agencies and politicians, America went through profound social and cultural changes. Where we live, how we live, how we work, and how we socialize became starkly different than in the past century.

Atkinson argues that we began the transition into our current economic era during the 1970s. The businesses that had dominated for so many decades began to stagnate and decline. Their growth and financial performance had now become a function of their ability to consolidate within their markets and through diversification into other mature markets. The large corporations formed in the last great entrepreneurial era in America were no longer creating new jobs in significant numbers. The recent demise and massive job loss in the American auto industry is just one example. Total employment by the *Fortune 500* companies has dropped from 20% of US workforce in 1980, to less than 5% by the end of the twentieth century. In fact, the Fortune 500 lost 5 million jobs during that 20 year timeframe.<sup>13</sup> The great companies that carried us through much of the last century are dying.

A new economic force began to emerge during this time of transition. At the same time that the largest corporations were losing jobs, new ventures created by entrepreneurs were thriving and establishing jobs. In fact, they helped to create more jobs than were being lost by the Fortune 500, resulting in a steady growth in employment since the 1970s. Entrepreneurs and the small business they create have accounted for 77% of the new jobs created in the past two decades. Data from the US Small Business Administration (SBA) show that new businesses are being created at a rapidly increasing rate. In the mid-twentieth century, about 200,000 new businesses were started each year in the US. That number is now estimated to be 650,000 new businesses started each year. It is estimated that there are now over 23 million small businesses in the US, and they represent over

<sup>12</sup> All statistics related to small business in the economy are from the Office of Advocacy of the U.S. Small Business Administration, <http://www.sba.gov/advo/research/>. Small Business Association, "Research and Statistics Office of Economic Research." (Office of Advocacy).

50% of the GDP (Gross Domestic Product), over 50% of total employment, and 45% of total US payroll. As more businesses are being created, these figures grow each year. Clearly there has been a fundamental transformation in an economy that is rooted in, and fueled by, entrepreneurial development.

When examining business start-up rates, there is a general misconception that new ventures fail at a high rate. Even when you ask a group of experienced business people, they will consistently estimate that new ventures fail at a rate of 80-90%. However, this proves to be an urban myth. Research compiled by the SBA and others have actually demonstrated that entrepreneurial businesses in the US survive for at least five years at a rate of over 50%. And in anecdotal surveys of those entrepreneurs who have received training in entrepreneurial business skills conducted by various entrepreneurship programs, survival rates are reported to go to 80% or even higher.

Other studies from the SBA highlight the role entrepreneurs are playing in generating innovation in this new economy. US small businesses create 67% of all new innovations, 95% of all radical innovations, and fourteen times more patents per employee than large patenting firms. Entrepreneurs are also part of the globalization of the world economies. Recent studies find that 97% of all exports from the US come from small businesses and these represent 29% of all export value.

It is clear that at the dawn of the twenty-first century we are in the beginning of a new economic wave dominated by new entrepreneurial ventures. And this is not just an American phenomenon, but a global one as well. History tells us that this new economic wave will likely carry us for much of the twenty-first century. History reiterates that this entrepreneurial economic wave can have a profound and lasting effect on our society and our culture. Therefore, if we hope to see a positive transition in our culture, we must look to today's entrepreneurs to contribute to this cultural change by acting as *good entrepreneurs*.

#### MORAL AND SPIRITUAL DISCONNECTEDNESS

At the same time that we have been witnessing the birth of this new entrepreneurial economic age, we have also seen a growing moral and spiritual problem of "disconnectedness." While globalization has made the world smaller and has connected people from around the world, it has also accelerated a disconnectedness of firms from their communities, nations and most profoundly, from themselves. This is particularly true within publicly traded firms, where the intense pressure to maximize shareholder wealth disconnects the firm from other goods, particularly any understanding of the common good.

This disconnectedness is manifested in various ways, but we will highlight two dimensions of it. The first is what Jeff Gates has coined "disconnected

capital.”<sup>14</sup> While more and more people find themselves owners within the stock market through personal investments, 401ks, and other retirement programs, such ownership tends to be valued on one thing, price. Our capital ownership is becoming increasingly impersonal. Because the ownership of capital of publicly traded companies is found within impersonal capital markets, there is a lack of connection between the owners of capital and the communities in which the work is done. In the past, the owners of capital had some local or at least some national connection to what they owned and where they resided. Today, capital’s global character is increasingly disconnected from any value except financial value.

The second disconnect is within the firm itself. The dominance of financial value for capital generated an increasing disconnect between labor and capital that severs the virtue of justice and its related sub-virtues of loyalty and trust. With little loyalty to the firm, employees feel disconnected from their own work and distrustful of their leaders, all of which damage the relationship between employer and employee. For example, the human resource consulting firm Watson Wyatt found in a recent survey that only 39% of US employees trust senior management to do the right thing and to communicate honestly. This kind of “disconnected” capitalism has produced serious doubt that one can have a good company in which investors, managers, and employees can collaborate in service to customers and the community.

While we are not so naïve as to think that entrepreneurial firms are immune from such disconnections, we do believe that entrepreneurial ventures, when properly conceived, offer a more realistic and connected means for people to live out their work as a vocation and establish real communities of work than do publicly traded companies.

We do not believe that publicly traded companies are moral black holes; rather, we believe that structurally there are more obstacles to creating communities of work where people develop and contribute to building stronger and healthier work communities. And while the financial pressures can also negatively impact entrepreneurial firms, especially when they have investors expecting short-term results, there is still, on the whole, more opportunity and freedom to build a more connective community of work in such firms. Entrepreneurial ventures, precisely because they are just starting out, are freer to pursue all of the goals of the entrepreneur, which often are much richer and more inclusive than simply financial outcomes.

However, meaningful communities of work will not automatically arise simply because there are free markets that allow entrepreneurial enterprises to exist. Actually, just the opposite will happen. Enterprises left to the pressures of

<sup>14</sup> Jeff Gates, *The Ownership Solution: Toward a Shared Capitalism for the 21st Century* (New York, NY: Perseus Books, 1998).

their own particular markets may increasingly improve their profitability, productivity, and efficiency, but, they will not create a culture of connection and commitment among their employees, investors, customers, and communities. Without a moral and spiritual culture that nourishes a rich and compelling vision, as the book of Proverbs points out, the people will perish (29:18). A rich and compelling vision will most likely be developed if it is nurtured within the cultural institutions of religion, family, and education. Unless these cultural institutions take on the responsibility to be schools of virtue, we see little chance for good entrepreneurs and good companies to mature in free market economies in numbers significant enough to truly influence society.

The entrepreneur, when she is at her best, is able to galvanize employees and investors behind a vision and a mission that serves as an important force in building and sustaining stronger and healthier communities. But the culture of an enterprise is embedded and informed by the larger culture of the society. The entrepreneur has to take seriously this formation and to translate it to the principles and virtues necessary to inform her enterprise. We now move to this point of cultural formation.

#### THE CULTURE, STATE AND ECONOMY

How we understand the relationship – and especially its embedded character – among our shared *culture*, the reach and scope of the *state*, and the businesses that make up our *economy* gives us insight in how we understand the good entrepreneur.<sup>15</sup> The first understanding of this relationship might be called a *free market approach*. It is based on the premise that the ownership of property is a private, individual right and that the economy works best when it is left to its own course. Many today still adhere to these principles, although the current financial crisis may have decreased their numbers. Governmental intervention is viewed as an inhibitor of economic development over the long-term. In the realm of new business development the operation of the business should be left to the entrepreneur and when at all possible not constrained by regulation. Government regulations are, for the most part, viewed as constraining growth and adding unnecessary costs. They also are constraints on the liberty of property for owners to maximize their own particular wealth. Government should only act at the margins of the economy to assure fair competition and open markets. The good entrepreneur is the free entrepreneur whose goodness is measured by the increase of GDP.

<sup>15</sup> For this three-fold view of society see John Paul II, *Centesimus annus*, chapter 4, and Michael Novak, *The Catholic Ethic and the Spirit of Capitalism* (New York: The Free Press, 1993), pp. 221-237.

Yet the entrepreneur's capacity to create wealth always faces the question: for what? For all the technical and skillful advances we can make in creating wealth, the techniques and skills do not answer the question of whether they make us truly better off or not. While income statements and balance sheets may tell us that we have created more wealth than last year, and technological advances may increase productivity, they do not tell us if we are better for it. In other words, the question of whether our creative entrepreneurial impulses lead to authentic *human* development cannot be fully understood within a market that does not have moral and spiritual resources to answer whether we are becoming more or less human. As John Paul II put it, "Of itself an economic system does not possess criteria for correctly distinguishing new and higher forms of satisfying human needs from artificial new needs which hinder the formation of a mature personality. Thus a great deal of educational and cultural work is urgently needed."<sup>16</sup>

Although the US has a strong free market tendency, there arose midway through the twentieth century a shift to what we might call an *activist approach* in our economy. This view points to the inability of corporations to regulate themselves from their worse abuses, and although it recognizes the importance of private property, it sees government as the crucial oversight body to the use of capital. Capital is in essence a public good from the activist viewpoint. The ownership of businesses and of the capital used in commerce is viewed as a privilege. Government's role is to impose regulations that can take many business decisions out of the hands of business and market forces and place them within a policy environment. Economic and related social policy is shaped through tools such as labor and tax law, zoning, business licensing, eminent domain actions, and so forth. Market forces, while recognized as important, should be guided and controlled, and take a somewhat secondary role to governmental actions according to the activist approach. This approach believes that the large corporations that dominated the twentieth century need a strong counterbalance to assure a fairer and more just economic system. This approach assumes that good entrepreneurship is determined by compliance from the laws of the state.

However, as we have already mentioned, these larger corporations, although still significant, are waning in their overall role and importance in the economy, and entrepreneurs are now leading the growth in jobs and wealth. Government regulation, especially when it is constructed with the old economy in mind, inhibits entrepreneurial creativity and ingenuity. So if we are truly in a new economic period, it may be time to rethink the need for a traditional activist approach in which business is highly regulated. This certainly runs counter to the

<sup>16</sup> Pope John Paul II, *Centesimus annus*, 36,

conventional wisdom that now dominates public policy formulation in Washington.

A challenge to making this shift in policy is that while the activist approach is based on a premise that regulation of business is important, over time such regulation has become a process that is often done in cooperation with corporate leadership, especially in the US. Businesses and industries employ armies of lobbyists on K Street in Washington, DC. While much regulation was originally intended to control the excesses of business organizations, over time regulation has become a tool to protect the corporations that have dominated the economy over the past century. It protects them from competitive forces for change that in fact are critically important if the economy is to remain vital and robust.

As authors, the two of us find ourselves on different sides of this debate between free market and activist approaches, but we do agree that these two approaches and all the gradations in between often underestimate the role and importance of culture in informing the meaning and ethical conduct of those within business. What we propose throughout this essay is a third alternative to this debate that has the potential to begin to overcome the disconnectedness within business.

At the heart of our approach is a commitment to the virtues formed within a culture that has the capacity to develop the whole person. Neither markets nor the state by themselves have this capacity. This virtue-based approach recognizes that all the business skills, all the government policies, while important and necessary, will not make a good company or a good entrepreneur. The virtue approach, understood within the Christian tradition, sees that the source of goodness will primarily come from the culture and its institutions and not primarily from the market or the state. Without a strong culture, the state tends toward totalitarianism and the market tends toward consumerism and careerism. Free markets are the vehicle and fuel of economic progress. And government is needed to set the basic rules of the road. But, it is culture that ultimately defines the purpose and the destination of this journey.

If culture is so important, then, what do we mean by this word? Culture, as the root of the word indicates, *cultivates* within us a way of seeing the world, to see what is real, to make sense of reality. It creates in us, when it is operating well, a deep sensitivity to what is important and worthy of sacrifice. It forms within us what is moral and spiritual, of what is most worthy in our lives, by helping us to understand the deep human reality of our origins and our destiny. It helps to discern through all the data, all the ideas, all the alternatives, and land on what counts in life.

Christopher Dawson explains that, “culture is a common social way of life – a way of life with a tradition behind it, which has embodied itself in institutions

and which involves moral standards and principles.”<sup>17</sup> These cultural institutions serve as a kind of platform on which human society is built. The three main institutions that form culture – that which we come out of in order to operate within the political and economic order – are religion, family, and education. Family is the first and fundamental structure of human culture. It is the fundamental cell of society. When it is at its best the “family is the heart of the culture of life.”<sup>18</sup> Where the family goes, society goes. Education develops sensitivities to the world. When it is at its best, it inspires wonder, imagination, and a spiritual and moral vision that informs the professional, technical, and scientific endeavors. Religion, however, is at the heart of culture, since it participates most directly in the *cult*, the worship, that which is most worthy of our lives. It helps us to participate in the deeper meaning of our world by continually reminding us of where we have come from (origins), where we are going (destiny), and what we are called to do today (present). There are other cultural forces such as the media (film, TV, internet, etc.), arts, music, volunteer organizations, play/games/sports, etc., but these forces do not have the capacity to carry and direct family and education in the way religions does.

When culture is at its best, that is, when it connects us to our created purpose, to our true nature, to our destiny, it enables us to see the whole and not merely the parts. Culture allows us to receive the whole of creation and helps us to realize our role within it. This wholeness is arrived at by connecting us to the fundamental events of our life – birth, death, work, love – in such a way that these events are related in an organic whole rather than in an isolated compartmentalized fashion.<sup>19</sup> This is why at the heart of every culture worthy of the name is a *religious* impulse. The word itself, *religio*, means to reconnect – to help us reintegrate that which has become divided.

More concretely, culture is a common way of life. It has a tradition and it is embodied in particular institutions that are informed by moral and spiritual principles. Family, education, and religion are the institutions that have the best chance to help us see holistically and the capacity to sink deep within us virtues, that is, good habits that direct us to the end for which we were created. Many of these institutions, however, when they are at their best are not generic institutions. They do not convey to their members only a universal ethic of being good. Actually, the more institutions sever themselves from their distinct narrative and the origins of their founding, the more generic and bland they become, failing to offer any kind of moral and spiritual vision that ought to inform economic life.

<sup>17</sup> Christopher Dawson, *The Historic Reality of Christian Culture: A Way to the Renewal of Human Life* (New York: Harper & Brothers Publishers, 1960), 13.

<sup>18</sup> John Paul II, *Centesimus Annus*, 39.

<sup>19</sup> See Pieper, *Leisure: the Basis of Culture*.

James Burtchaell has explained that many universities in the U.S., which often began with a religious vision, have lost any moral or spiritual vision and have simply become high class trade schools. They have gone from a distinct religious vision to a more humanistic approach, to a values-based education, to methodological excellence, to a career focus, to a free market of ideas and finally to whatever will increase student enrollment.<sup>20</sup>

The point here is that cultural institutions are most vibrant when they are most specific, which is why it is important to be particular rather than vaguely universal in speaking about culture. For example, using a particular religious focus, such as Christianity, makes some people nervous. They prefer to speak of moral or spiritual values that have no particular religious or denominational character. They are concerned that religious perspectives will lead to irresolvable conflicts, intolerance, proselytism, and even religious wars. But what should make people more nervous is the belief that we handle the challenges of this new entrepreneurial economy with only economic and political resources or generic calls for values that are ultimately unhinged from anything that is concrete. Too often, this is the approach that dominates business ethics in most universities today. While we must always be mindful of the worst abuses of religion, we also must be mindful of a very important truth about life: *we are at our best when we speak from our center, not from our boundaries* – and we tend to compromise our lives when lose sight of this center in our day-to-day lives.<sup>21</sup>

In our pluralistic culture in the US, we have tended to believe that the best approach to public conversations is to speak from the lowest common denominator. There is no doubt a place for this, but such an approach rarely enables the person to understand their deepest beliefs and the needed virtues to live out these beliefs. The lowest common denominator approach will disable the Christian, for example, from seeing the deep wisdom of the gospels and the Christian tradition as it relates to work in general and entrepreneurship more specifically. This disconnectedness between work and faith generates a practical atheism in the world today where one creates companies as if God did not exist, as if faith did not matter, as if there were no implications to one's work as it relates to eternal life.

But the historical reality challenges this perspective. What is often not told in the history of entrepreneurship is how many companies started with a vision that was informed by the religious faith of their founders, companies like Cadbury (Quaker), Herman Miller (Calvinist), Service Master (Evangelical), Dayton Hudson (Presbyterian), Cummings Engine (Disciples of Christ), Reell Precision

<sup>20</sup> James Burtchaell, *The Dying of the Light* (Grand Rapids, MI: Eerdmans Publishing Co., 1998), 819-851.

<sup>21</sup> Jack Fortin, *The Centered Life* (Minneapolis: Augsburg Fortress, 2006).

Manufacturing (Protestant), Mondragon and Quimet Industries (Catholic). Future research in entrepreneurship, if we are concerned about good entrepreneurs and good companies, needs to explore these connections between religion and faith and entrepreneurial enterprise.

Christianity and particularly Catholicism, for example, has developed a social tradition that *reconnects* the entrepreneur's work to a moral and spiritual vision of the enterprise – a reconnection of

- ownership to the common good;
- creation of goods and services to genuine needs;
- distribution of wealth to the needs and merits of those who contribute;
- work to the development of the worker;
- and organizational life to a community of work.

We have recently written a book called *Bringing Your Business to Life*, which seeks to “reconnect” for entrepreneurs the claims of their faith with the relationships and practices of their businesses. When Christian culture is at its best, it generates an economic order that humanizes the entrepreneurial realm in a way that generates faithful companies that contribute to the common good.

Our point is not to say that the Christian religion is the only available means of humanizing our new entrepreneurial economy. Christianity does not have a monopoly on good work. But Christians and their institutions, particularly its churches and schools, have to face the seriousness of this new entrepreneurial reality if it is to be true to its vocation of being a light to the world. Christians as well as all religious believers must speak from their center in such a way that allows others to do the same. They have to respect and protect the religious liberty of others. They cannot proselytize by imposing their center on others, but they cannot at the same time evacuate their own religious core in the name of tolerance, diversity, and pluralism. We believe that the focus on the virtues provide the language and reality to achieve these goals simultaneously.

This is why we also believe that while we speak specifically from the Christian virtue tradition, an honest and explicit dialogue on the specific cultural resources that enable entrepreneurs to be good will encourage a deeper dialogue with various religious and cultural traditions, which will foster greater religious and cultural unity. This moral and spiritual level of engagement between faith and work will foster among religions deeper relations that prepare them to deal with the more difficult doctrinal differences they may have. But again, we will not learn great things from each other if we merely obey government laws and regulations or imitate the best practices of financial and operational techniques. These laws and markets are simply too small for the entrepreneurial soul.