ENHANCING MISSION EDUCATION AT CATHOLIC BUSINESS SCHOOLS

Thank you for the opportunity to address this conference on mission-driven business education at Catholic universities.

Over the last ten years, an organization called Colleagues in Jesuit Business Education has been meeting at various Jesuit business school campuses throughout the United States. When we started this organization, we decided to address four general themes that could infuse the Jesuit mission into business education: (1) faith/spirituality, (2) service (particularly service learning), (3) justice/social responsibility, and (4) business/professional ethics. Over the course of time, a fifth theme was added: personal identity. These five themes apply as much to Catholic business education as Jesuit business education, and so I thought it might be helpful to summarize some of the recurrent points made in each of these thematic areas throughout the last ten years. I believe they form a basis for a wider discussion of what could give a specifically Catholic identity to business education.

I. Personal Identity. It may seem unusual to treat this theme first, but as will be seen, it forms the basis for and pervades the other four themes. My assumption here is that Catholic business education, like Jesuit business education, is concerned with a special quality of *leadership*. We do not want our students to be *merely* excellent managers, accountants, marketers, investors, financiers, economists, and MIS specialists; we want them to be excellent *leaders* who have expertise in management, accounting, marketing, investments, finance, economics, and MIS. All of our university mission statements are concerned with creating leaders who will not only be personally successful and lead their organizations to success, but also will lead their communities and cultures toward the breadth and depth of the common good. We hope to inspire leaders who will model respect for others, service, profound character, depth of mind and heart, generosity toward the community, and contribution to culture and society.

Most of our predecessors did not start business schools for merely pragmatic reasons—they did it first and foremost because business schools afforded a vehicle to inspire leadership within a Catholic ethos. This is why the theme of personal identity is so important. As will be seen, the decisions one makes in this regard literally determine the kind of leader one will become. If undergraduate and graduate students do not attend to these fundamental decisions, everything else we are trying to do in forming leaders within a Catholic ethos will be quite limited.

In my book *Spirit of Leadership*, I address four levels of identity: (1) external-material, (2) ego-comparative, (3) contributive, and (4) transcendent. I show that the lower levels tend to be more surface apparent, immediately gratifying, and intense while the higher levels tend to be more pervasive (reaching beyond the self to others and sometimes far beyond the self to culture and society), enduring (having effects which last longer), and deep (affecting what the ancient philosophers would have called the "higher powers" of the human spirit, namely, powers of intellection, creativity, love, formation of ideals, moral reasoning, and spiritual life).[1]

As one moves up the scale of identity, there is a tradeoff. One has to give up some surface apparentness, immediate gratification and intensity to obtain greater pervasiveness, endurance, and depth. Time does not permit me to go into detail on this model of identity which is very well grounded in contemporary psychology as well as both ancient and contemporary philosophy and theology. However, I should spend some time on the transition between levels two and three because it highlights the difference between a Catholic view of leadership and the one encouraged by contemporary popular culture. Moreover, it gives a solution to the greatest challenge facing American organizations and culture today. A brief explanation will make this clear.

Level 2 (ego-gratification) is almost always linked to comparisons. In order to shift the locus of control from the outer world to the inner world, I must constantly ask myself, "Who's achieving more? Who's achieving less? Who's making more progress? Whose making less? Who's winning? Who's losing? Who's got more status? Who's got less status? Who's more popular? Who's less popular? Who's got more control? Who's got less control? Who is more admired? Who is less admired?" Notice that these questions are not linked to a pursuit of the truth or to a contributive mentality, or even to an ultimate meaning. One is using these comparative questions to obtain identity. Thus, one is literally living for a Level 2 answer to these questions, and is therefore treating these comparative characteristics as *ends in themselves*. Hence, one is not achieving in order to contribute to family, colleagues, or the culture; one is tying to achieve as an end in itself, as if achievement alone gives life meaning. Similarly, one is not seeking status in order to have the credibility to do good for others or even the kingdom of God. One is simply seeking status as an end in itself. The same holds for winning, power, control, and so forth.

Notice further that Level 2 is not bad. Indeed, quite the opposite. The desire for achievement leads to progress in civilization. The desire for respect leads to credibility, confidence, and self-respect. The desire to win leads to competitiveness and the seeking of excellence. Even the desire for power can be used for good purposes. So what's the problem? The problem is not Level 2, but living for Level 2 *as an end in itself*. When one does this, then achievement leads to compulsive "getting ahead," instead of "a good beyond the achievement." Seeking respect leads to pandering after admiration. Power sought as an end in itself corrupts – and absolute power sought for itself corrupts absolutely.

A variety of consequences follows from this narrow purpose in life: one may feel emptiness arising out of "underliving life." The desire to make a positive difference (or even an optimal positive difference) to family, friends, community, organization, colleagues, church, culture, and society (Level 3) goes unfulfilled. One begins to think that one's life doesn't really make any difference to the world or to history – "the world is not better off for my having lived." To make matters worse, one's desire for the ultimate (in Truth, Love, Goodness, Beauty, and Being – indeed, God—Level 4) is also unfulfilled.

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[1] Spitzer, Robert. *The Spirit of Leadership: Optimizing Creativity and Change in Organizations.* Seattle, Pacific Institute Publishing, 2000, pp. 75-167.

Furthermore, a large array of negative emotions begins to accompany this emptiness. Most of these emotions arise out of a fixation on comparative advantage. Since a dominant Level 2 identity treats status, admiration, power, control, winning, etc. as ends in themselves, it is compelled to seek comparative advantage as its fulfillment. This fixation requires not only that I progress more and more (in status, power, winning, etc.), but also that I have *more* of it than Joe, Sue, Frank, and Mary. When I do not have more, when I am not better than others, I profoundly believe that my life is either stagnant or slipping away. I feel a profound diminishment in self-worth and success. And so I begin to feel jealousy, a malaise about life, inferiority, loneliness, frustration, and even a terrible sense of self-pity and resentment.

One might respond that these negative emotions do not befall the dominant Level 2 *winner*, for to the victor go the spoils. While it is true that winners do receive significant ego-gratification, it is worth noting that the above-mentioned emptiness still follows in its wake. Furthermore, such winners are obliged to increase in their Level 2 successes, because they cannot attain any sense of progress without doing so. If they do not continually increase in their successes, they experience the same kinds of malaise, inferiority, jealousy, frustration, and self-pity as non-winners.

Moreover, these winners contract a peculiar disease – namely, the desire to be overtly admired. When perceived "inferiors" do not acknowledge the winner's superiority (and their own inferiority by comparison), the winner feels tremendous resentment. "You have not given me the accolades I deserve. And furthermore, you are actually treating yourself as my equal – who do you think you are?" This peculiar disease has another aspect which Saint Augustine well recognized – contempt. Dominant Level 2 winners can't help it. They really do feel that their lives are worth more than other people's lives, and so they either project contempt or (if they are more enlightened) they are patronizingly condescending ("That's a nice *little* project you did there"). In the end, such winners cannot afford to fail; if they do, those whom they have treated with contempt will ravage them.

Furthermore, a winner's self-image cannot tolerate being embarrassed in front of inferiors ("Spitzer, you pronounced the word 'spectroscopy' improperly three times. I cannot believe that a person of your caliber would make such a mistake." I go to my room, close the door, and play that excruciating tape over and over again in my mind until I want to do myself physical harm, for the physical pain would be so much better than… "I can't believe I made that mistake in public. Aaarrgghh!"). Dominant Level 2 winners also feel the need to blame others for their failures because, in principle, they cannot fail.

In sum, winners better be perfect; but then again, they can't be altogether perfect. So winners must construct a huge façade and then protect it; but then again, they cannot construct a façade impenetrable enough to keep observant "inferiors" at bay. So, dominant Level 2 winners better be prepared for contempt, resentment, blame, anger, debilitating ego-sensitivities, and above all, loneliness – for no one (except Mother Teresa, and maybe their own mothers) will want to be around them for any other reason than sheer necessity.

Why spend so much time addressing the topic of ego-comparative identity (Level 2) as an end in itself? Because it affects no less than 70% of our population (and therefore our business students), and it is causing (and will cause) them extreme emotional pain. Furthermore, it restricts their view of life's purpose which leads to unfulfilled potential and negative emotive states, and undermines ethics and leadership skills. If the ego-comparative identity taken as an end in itself is not addressed within our Catholic business curriculum (in retreats; leadership, management, and ethics courses; and in five-minute learning modules in other classes), we allow our students to underlive their lives and careers and we waste a gigantic opportunity to inspire leaders for the common good. I will briefly present one solution to this problem.

Making Level 3 and/or Level 4 one's dominant life purpose provides the solution to this problem, because it advances the breadth and depth of life's meaning, diminishes the above-mentioned debilitating emotive states, and makes Level 2 quite healthy. Recall that Level 3 is a contributive identity. It achieves purpose in life by making an optimal positive difference to someone or something beyond oneself. Human beings do not seek mere comparative advantage; we want the world to be better off for our having lived. We do not want to get to the end of our lives and say, "What was the difference between my contribution to the world and that of a rock?" and have to answer, "Well, I can't readily see a major difference." If we did, we would obviously be in incipient despair. Conversely, we not only want to make more difference to the world than a rock; we want to make an optimal positive difference to those parts of the world that we can realistically touch with our lives: family, friends, organization, church, etc. This drive is so strong that once engaged, it can significantly diminish the above-mentioned negative emotions, while doubling or tripling a person's self-efficacy.

I ask the doctoral students in my leadership and ethics course to begin by making a list of how they can make an optimal positive difference to their families (with their time, talent, and energy), then how they can make an optimal positive difference to their friends, then to their workplace, then their colleagues, their stakeholders, their communities, their culture, society (if they have that opportunity), their church (if they have faith), and the kingdom of God. I then ask them to put at the end, "For this, I came," which enables them to transform a mere list into a personal identity statement. I also ask them to review this document every morning throughout the course. The results are quite amazing. Most of the students experience this repeated exercise as life-transforming. They discern a marked decrease in negative emotions, an increase in empathy, and a stronger basis for acting upon their principles and ideals.

In view of these multi-year results, I would recommend that other Catholic universities seriously consider integrating the discussion of personal identity into their *business* curricula. In courses where faith can be legitimately considered (e.g., ethics courses or leadership courses), you may also want to consider Level 4 identity (faith/transcendent identity) as well. Identity transformation forms the basis for the other four themes that infuse Catholic identity into our business curricula.

II. Faith/Spirituality. Andre Delbecq (Dean/Professor, Santa Clara University) has delivered several papers on how he integrates faith and spiritual life into his courses on leadership and management. I presume he will address this topic at the conference, and I do not want to superficially treat what he will no doubt address more extensively. However, I have heard many of our participants comment on the usefulness of five themes that he and others have treated in their courses, and so I thought I would mention them here:

A) The use of faith in self-transformation. Evidently, our view of ourselves affects our leadership style, because it affects the way we look at others, at virtue/ethics, and at leadership priorities. If we value our intuition and our "heart," it will positively affect the quality of our empathy, humility, and the genuineness with which we relate to others. Prayer and spiritual experience open us up to a deeper, more self-probative kind of questioning. Our experience of God (particularly in prayer) not only helps us to examine ourselves, but also to engage in the very challenging process of self-transformation. If our relationship with God assists us in the process of self-transformation, then faith will not only help us to take self-transformation more seriously, it will also help us to deepen that self-transformation throughout the stages on life's way.

Business professors do not have to specifically talk about the development of faith and spiritual life, but they can make reference to it (in, say, leadership or ethics courses) and encourage students to develop their faith and to participate in retreats designed around leadership, ethics, and faith. At Gonzaga, the Hogan Entrepreneurial Program interacts with University Ministry to make such retreats available. In view of their popularity, our University Ministry is now seeking partnerships with business faculty to start retreats for other undergraduate and graduate students. Dr. Paul Buller (who is attending this conference) is responsible for the retreats in the Hogan Entrepreneurial Program, and has worked actively with University Ministry to create partnerships encouraging the synergy between faith and leadership. I am sure he would be open to your inquiries about this topic here at the conference or by email (buller@jepson.gonzaga.edu).

B) Faith and virtue (particularly humility and courage). I am reminded of Andre Delbecq's saying that the two greatest impediments to ethical leadership are fear and hubris. I concur and hasten to add that they are seemingly always on the horizon of most successful leaders, and they are exceedingly difficult to contend with. These two extremes have always loomed large in my life, and my faith has proven to be indispensable in diminishing their effects on my leadership. I am not saying that there are not other ways of dealing with these negative extremes, but if leaders do have faith, it would behoove them to use it in the service of cultivating moral courage and humility.

Professors of leadership, management, and ethics do not have to look far to find excellent volumes which deal with these themes in themselves and in the context of faith. Several new biographies of influential business leaders also treat of these subjects. Professors do not have to treat these themes specifically in their courses, but they could make reference to them and recommend books or articles which address them in depth, for these themes present a natural convergence of faith, virtue, and contemporary leadership theory.

C) Faith and ethics (particularly principle-based ethics). The current literature of business ethics is concerned not only with the cultivation of moral courage, but also the cultivation of principles and conscience. The contemporary shift from principle-based ethics to utilitarianism has led to a decline in principles, conscience, and means testing (as in "the end does not justify the *means*”). Since I will be explaining this contention below, suffice it to say for the moment that faith (in most of its manifestations) seems to encourage both responsibility and co-responsibility, and therefore encourages moral courage, ethical principles, means testing, and conscience.

In view of this strong synergy between faith and ethics, it would be an unfortunate omission if professors at Catholic business schools did not encourage students to use their faith in the development of ethics. Again, professors do not have to explicitly address this topic, but it would seem to be an integral part of our common mission to repeatedly encourage students who have faith to address this topic themselves.

D) Faith in times of suffering and failure. In his executive leadership seminars, Andre Delbecq has worked individually and collectively with leaders who have had to face failures and tremendous challenges, and has noticed that in many cases, faith has produced perspective, healing, courage, and strength to deal with these all-too-common leadership challenges. In my view (as well as that of many other business, civic, military, educational, and church leaders), faith, prayer, relationship with God, and spiritual experience bring peace, which Saint Paul would call a “peace beyond all understanding.” This peace, which is difficult to give to ourselves, is indispensable for getting perspective, recalling what really matters in life, making backup plans, and recalling the importance of humility and courage. These attitudes help us to learn from our failures and challenges rather than be daunted by them. The literature of faith in its relationship to failure, challenge, and suffering is immense, and I would be glad to provide a bibliography to anyone who is interested in encouraging students to use faith in times of failure and challenge (president@gonzaga.edu).

E) Faith and the transcendental dignity of others. Most professors of leadership and management are well aware of the synergy between empathy and effective leadership. Empathy conveys genuine concern, and therefore evokes trust and good will. As will be explained below (section 3), empathy begins with looking for the good news in others, and this can be galvanized by focusing on their transcendental dignity. Plato recognized five transcendental desires within every human being which pointed to a trans-material identity (a soul): the desire for perfect and unconditional truth, love, justice/goodness, beauty, and being/home. Time does not permit me to go into these areas thoroughly, but they are treated in several of my other books. For the moment, suffice it to say that faith encourages us to see not only these platonic transcendentals within ourselves and others, it induces us to recognize the immaterial, transcendental, and eternal nature of others. This cannot help but make our awareness of the unique dignity and goodness of others more acute, which, in turn, will translate into empathy, which, in its turn, will create the trust and good will necessary for outstanding teamwork and success.

Conclusion. In sum, we may properly assume that over seventy percent of our undergraduate students (and a smaller, but nonetheless significant percentage of our graduate students) have some kind of faith formation. It is therefore important for us as faculty and administrators to encourage them to develop their faith and use it to deepen self-transformation, virtue, ethics, empathy, and their capacity for meeting challenge and failure. If possible, a partnership with university ministry to collaborate on retreats and other faith activities is also effective.

III. Service Learning. Approximately one-fourth of the papers delivered at the meetings of Colleagues in Jesuit Business Education concern service learning. We are currently compiling some of our best papers and best ideas on service learning for a future volume. These concern both national and international service learning, and affect many areas of business (e.g., entrepreneurial projects to improve neighborhoods, new venture labs to assist startup businesses in hard-pressed neighborhoods, help with tax preparation for the disadvantaged, marketing of products with a social benefit, micro-loans for the disadvantaged in Africa, starting businesses in challenged areas of Haiti, etc.).

These projects have several beneficial effects which touch upon our mission. First, they show our students how challenging life can be, and how fortunate they are. Secondly, they raise awareness of how they could make a huge difference to a neighborhood or a community with a relatively modest investment of their time and expertise. In so doing, these projects enhance the students' sense of the contributive (Level 3) and social responsibility. Thirdly, these projects help the students to form bonds of empathy with people whom they would ordinarily not meet. They begin to see both the intrinsic and transcendent qualities of human beings who do not have the appearance of or opportunity for privilege. Yet our students recognize something in the hearts and souls of the people with whom they work. They wish the best for them, defend them, and become friends with them because they recognize their unique goodness and dignity (and sometimes even their transcendent goodness and dignity). After such experiences, it is difficult to be hard of heart, to be an elitist, to believe that the only thing that matters is Level 2 (Who's achieving more? Who's smarter? Who's got more status? Who's more powerful? Who's winning? etc.). One begins to see the other's unique, transcendent goodness through eyes which are the windows of the soul. By *doing* good for others, true empathy comes alive, giving concreteness to the transition from the ego-comparative identity to the contributive identity.

How is identity transformation related to empathy? In brief, Level 2 (the comparative identity) focuses on the bad news in others because one wants to be better than others, and the bad news makes the beholder look better which gives him/her an identity boost. Alternatively, the good news in another makes one feel comparatively inferior, which, in the logic of Level 2, diminishes one's identity.

The opposite is true for Level 3. When one is living for a contributive purpose in life, one is free to look for the good news in the other; the good news does not necessarily engender threat. Even though the bad news (e.g., what is irritating, weak, unkind, stupid, etc.) can rivet us to itself, its effects do not have to be long lasting when one has a dominant contributive identity, because it does not bring the pleasure and ego-boost of comparative advantage (what the Germans call "*shadenfreude*" – when one gleefully says, "I'm so sorry your new book was rejected by the publisher."). As the famous French philosopher Gabriel Marcel noted, one cannot look for the good news and the bad news in the same person simultaneously.

When one is trying to live a Level 3 (contributive) identity, looking for the good news in the other has a fighting chance. It is then that we want to encourage our students to look for the little good things others try to do, the great things to which they aspire, their gratuitous acts of kindness, their delightful idiosyncrasies, their transcendental dignity (the way they seek perfect and ultimate truth, goodness, love, beauty, and home), their faith, their complementary strengths, their compassion, etc.). If our students are successful at focusing on the good news in others, they will notice that their mood changes from one of irritation, anger, and resentment, to one of openness, friendship, and collaboration. One begins to view the other as mystery instead of problem, to view life as adventure and opportunity instead of a problem, to view oneself as a conduit of positivity and opportunity instead of a victim. At this juncture empathy ("being with" another, like a sympathetic vibration which naturally gives rise to caring about and caring for that other) occurs, and when empathy occurs, a relationship is formed whereby doing the good for the other is just as easy if not easier than doing the good for oneself.

This attitude is requisite for good family life, because one cannot love without looking for the good news in the other. Try it. Go home tonight and look for the bad news in your spouse (what is irritating, stupid, unkind, weak, etc.), and try to love him/her. Instead of love, you will undoubtedly find irritation and anger which will not sustain empathy. Thus, one can only make recourse to what I call "stoic love": "You're irritating, stupid, and unkind; but I'm a good Christian, so I am going to love you anyway because what does not kill me makes me stronger." Needless to say, this is not love.

Empathy not only liberates love within families, it also liberates servant leadership. It provides the desire, bonding, and energy necessary to seek the good of an organization or team with humility and unselfishness (because one is doing the good out of *empathy* – indeed, out of care). Employees and stakeholders can tell almost instantly when the primary motive of leaders is care rather than ego-fulfillment and self-aggrandizement. The former engenders trust and good will; the latter resistance and resentment.

When this technique of looking for the good news in the other is combined with service learning, it provides a powerful, complementary combination of attitude and action which not only reinforces Level 3 identity, but also gives rise to a lifetime habit (virtue).

IV. Justice/Social Responsibility. Justice complements service in actualizing a Level 3 (contributive) identity. As such, it is integral to the mission of Catholic business schools. Justice is distinct from service in its attempt to *systemically remediate* past injuries. While service attempts to help individuals, justice attempts to create better *systems and structures* which will reshape past momentums of bias, inequity, and injury into momentums for long term common good. Even though there is overlapping between service and justice, their objectives are not identical, and are therefore complementary.

One of the best ways of addressing the topic of justice in Catholic business schools is to treat the Social Encyclicals of the Catholic Church. This could be done by developing a course on the Encyclicals, or by devoting one-third of an ethics course to them, or by cross-listing a theology or political science course devoted to them. It would be ideal if a business faculty member either taught the course or had significant interaction with another professor (say, from the theology or political science department), because a business professor will lend "business credibility" to the social-ethical principles given in the Social Encyclicals. In view of the fact that the Social Encyclicals do not contradict "free market" principles, some professors may want to take this on as an interesting "mission challenge."

The first Social Encyclical (Leo XIII's *Rerum Novarum*) was heavily influenced by the *American* labor movement which was built into the late 19th century American "free market" infrastructure (1891). Later Social Encyclicals were written in a complementary relationship with the evolution of American labor and business. This had a positive effect on the creation of the so-called "welfare state" (i.e., concern not only for the means of production, but also for the just distribution of income and resources). The Encyclicals (in combination with contemporary industrial psychology) also influenced the evolution of American management principles (from Theory X to Theory Y to Theory Z to servant leadership, and beyond).

The Social Encyclicals were not and are not an attempt to rewrite fundamental economics, but rather to insert a humane and socially responsible impetus into a fundamentally "free market" economic infrastructure. The work of the Acton Institute explains this complementarity between "free market" economics and the Social Encyclicals quite well (http://www.acton.org/publications/- Internet use requires membership but hard copy publications can be purchased)

The Social Action Office of the Conference of Leaders of Religious Institutes in Queensland, Australia has constructed a website (http://sao.clriq.org.au/cst.html) that explains the ten major themes in the combined Social Encyclicals from 1891 to the present: the dignity of the human person, the common good, solidarity, subsidiarity, the purpose of the social order, the purpose of government, participation, the universal purpose of goods, the option for the poor, and the care of creation. All of the Encyclicals are accessible through the internet, so if you find one or more of the points given in the Australian Conference's summary to be interesting, you may simply type the name of the Encyclical into Google and retrieve the whole text (as well as commentaries on it).

I have seen some very interesting presentations of the Encyclicals by faculty members at meetings of Colleagues in Jesuit Business Education. One such presentation was in the form of a debate between a business professor (who took the more compassionate side) and a political science professor (who took the less compassionate side). I could see why the contrast and humor made their presentations so informative and interesting for the students.

In sum, the social encyclicals provide a thoughtful and compassionate face of free market economics which is essential for bringing justice and social responsibility into our Catholic business curricula.

V. Business/Professional Ethics. As noted above, the West has moved from predominantly principle-based ethics to utilitarian ethics over the last sixty years (since the end of World War II). This has caused a tremendous shift in the way we reflect and act on ethics. Recall, for a moment, that principle-based ethics views some actions as having an intrinsic moral quality (e.g., justice and love are intrinsically good; and murder, stealing, cheating, and lying are intrinsically bad). Alternatively, utilitarianism holds that the moral quality of actions can only be assessed in their consequences (which explains why it is also referred to as "consequentialism").

In order to make ethics more objective and quantifiable, the fathers of utilitarianism (from Thomas Hobbes, to Jeremy Bentham, to James Mill, to John Stuart Mill) tried to reduce consequentialistic analysis to an assessment of harms and benefits, which they believed would be at least partially quantifiable (e.g., how many people will be harmed, to what extent will they be harmed, what is the monetary worth of the harm, what is the risk of the harm, how many people will benefit, what is the probability of the benefit, what is the monetary worth of the benefit, etc.). Theoretically, this would allow a calculus of harms and benefits to determine right and wrong on the basis of two principles: (1) the least amount of harm to the least number of people, and (2) the greatest amount of benefit (including social benefit) for the greatest number of people.

Utilitarianism has the benefit of objectivity and universality, that is, it can provide a common criterion of ethics for people of different cultures, religions, and formation of conscience. It also has the benefit of being at least partially susceptible to quantification, and this is very important with respect to risk assessment and assessment of social harm. Hence, utilitarian analysis has considerable analytical power and social benefit. But we must ask whether it is enough.

In light of the Enron, WorldCom, and other contemporary ethical scandals (both national and international), I think we might all concur that the contemporary utilitarian climate is not enough. Something in the past principle-based ethical tradition has slipped away, making our rather pure utilitarian approach to ethics quite vulnerable to catastrophic failures. What is missing? In my view, three interrelated elements: (A) inviolability of means, (B) conscience, and (C) principles-based criteria to assess precedents.

A) Inviolability of Means. Those raised in the Catholic university system have heard the adage, "the end does not justify the means." Simply put, it means that one cannot use an evil means to pursue a good end, or an unjust means to pursue a just end, because the evil of the means will undermine the goodness of the end. The obvious problem with consequentialism (utilitarianism) is that it focuses almost exclusively on the end (e.g., least amount of quantifiable harm and greatest amount of quantifiable benefit. When this is combined with Milton Friedman's adage that "the social responsibility of leadership is to increase profit (shareholder wealth)," and that anything else is "immoral," one can see the crises of Enron and WorldCom on the horizon. Should business leaders use any means to increase shareholder wealth? All of us would probably say, "Of course not." But what may be obvious to us is not intrinsic to the corporate culture in which our students are destined to be immersed.

In order to forestall self-destructive ethical relativism, it is incumbent upon us to encourage our students to develop their own personal set of inviolable principles (what is truly worthy of them), and then to develop a list of principles which they believe the majority of their future stakeholders will *expect* of them. The first set of principles forms the basis for their *personal* conscience, while the second forms the basis for the way they will help to constitute *corporate* conscience (described below).

In my classes, I ask the students to reformulate these two lists of principles into questions they can ask themselves during times of critical decisions. For example, if someone declares on her list of principles: "Don't cheat," she might reformulate it as: "Is there anything in my upcoming decision that would create an unlevel (unjust or inequitable) playing field, or the perception of an unlevel playing field?" Again if she says, "Don't lie" as another principle, she might reformulate it as, "Is there anything in my upcoming decision that would be deceitful or give rise to the perception of deceitfulness?" and so forth.

Questions give engagement power to our principles – they anticipate relevant data, and so they "turn on" both reflectivity and conscience. These principle-based questions can elevate means to the same status as ends within the decision-making process; they also give a sense of inviolability to these means which engage both individual and social conscience. I truly believe that if the leadership of Enron had embraced a set of questions coming from the second list of principles (what stakeholders ethically expect of us), it would have been much more difficult to engage in the deceptive practices that brought it and Arthur Andersen to ruin.

B) Conscience. Utilitarian ethics tends to "deactivate" both individual and corporate conscience on three levels. First, it does not focus on ones present actions, but rather on their *future* consequences. Secondly, it is very difficult to assess "the least amount of harm" and "the greatest benefit." A small change in our assumptions and parameters can give a radically different understanding of these two objectives. Even though utilitarians consider their standard more objective than those of principle-based ethicists, contemporary ethical failures would seem to indicate the contrary. People seem to understand "stealing," "cheating," and "lying" more clearly and readily than they do "least harm and greatest benefit," and so it seems that the principle-based criteria engages individual and corporate conscience more powerfully than utilitarianism. Thirdly, most religions make recourse to principles (e.g., the Ten Commandments in Judaism and Christianity), and so principle-based ethics further engages conscience through its connection to religious duty.

The contemporary literature of business ethics has made a strong move towards the revitalization of conscience.[2] These authors realize that the problem with reengaging conscience is the pluralistic culture of business – that is, different people have differently formed consciences from different cultural, personal, and religious backgrounds. Nevertheless, these authors also recognize that there is a set of shared values in the business world, and these shared values are virtually universally recognized when people are asked to specify what their stakeholders ethically *expect* of them. Most of us instinctively know what most of us expect, and so these expectations can form a quasi-universal ground for corporate conscience. Evidently, corporations can't have a conscience – only individuals have consciences; therefore, by "corporate conscience," I mean "the shared principles within a corporate environment that awaken each of our *individual* consciences."

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[2] "Conscience, as will become clear, is a form of vision and strength in a culture, not a merely *subjective* sentiment as it is sometimes portrayed" (Goodpaster, Kenneth E. *Conscience and Corporate Culture*. Malden, MA: Blackwell Publications, 2007, p. 12.). "Consciences are not unwavering realities. They may be weak or strong, lifeless or vigorous, unformed or well formed. Individuals who are morally mute, deaf, and blind are moved by consciences rendered weak by being largely voiceless, inattentive, unresponsive, and partially blind" (Bird, Frederick Bruce. *The Muted Conscience: Moral Silence and the Practice of Ethics in Business*. Westport, CT: Quorum Books, 2007, p. 143).

In my view, there is no better place to begin the revitalization of conscience than in a Catholic university. Catholic philosophy has made in-depth studies of conscience.[3] Most of us offer ethics classes in philosophy, theology, and business, and most of our universities are still open to interdisciplinary cooperation which can bring together these three perspectives on principles and conscience. But as business professors, we do not have to do all this; we need only encourage our students to develop their ethical foundation in three areas: (1) set out a list of principles which reflect what stakeholders expect of them, (2) reformulate those principles into a set of questions, and (3) use these questions to engage their corporate conscience. As I learned from my accounting professors thirty-four years ago, a little bit of encouragement can have a tremendous effect over a lifetime.

C) Principles-Based Criteria to Assess Precedents. We are all probably aware of the problem of using precedents within a dominant utilitarian framework, namely, that poor precedents can be used to justify what might otherwise be thought to be unethical. For example, as a university president, I might have misgivings about investing millions of dollars of my endowment in the management fund of one of my trustees. In my more lucid moments, I might think, “This might be a conflict of interest. What would happen if the fund went down, but I could not divest because he is a friend and benefactor to me and the university?” But then I think to myself, “Well, he is getting a fifty percent return on investment – how can I lose?” I call my corporate counsel into my office and say, “Joe, find me some precedents where other universities have used their trustees to invest significant amounts of their endowment funds.” Joe says, “Ooookay!” Lo and behold, one week later, Joe has located four precedents. I think to myself, “That’s good enough for me – I have *justified* my action.” Of course, I did not ask Joe how many precedents he located for the opposite view. I would wager that he could find thirty to forty times more. Failure to ask this additional question, leaves the university open to loss of funds, litigation, and loss of reputation.

How do we avoid such disasters when there are literally thousands of ethical consultants willing to give our corporate counsels and boards dozens of precedents justifying actions which could bring us ruin? I tell my students to use the following three steps in assessing precedents: (1) Ask the consultant or counsel for the *full range* of precedents (pro and con). (2) Ask them to make four or five general categories to organize those precedents (e.g., from those that are strongly against to those strongly for my proposed action), and then give an approximate percentage of the precedents falling into those categories. (3) Take the ethical questions that you formulated from your list of principles about what stakeholders *expect* of you (the list awakening corporate conscience), and ask those questions about each category of precedent solutions your consultant has given you. In this fashion, you subsume precedents to principles, which brings conscience back into play in the assessment of those precedents.

Again, we as professors of business and leadership in Catholic universities have an important role to play in bringing the use of precedents back under the sway of principles and conscience. If we are encouraging our students to acknowledge what stakeholders expect of them, and to use their corporate consciences, why not go the final step and ask them to apply these “tools” to the use of precedents?

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[3] Saint Augustine, Saint Thomas Aquinas, John Henry Newman, Bernard Lonergan, Karl Rahner, and many, many more.

Conclusion. As can be seen, Catholic business schools can have a tremendous positive effect not only on the leaders we educate, but also on the institutional, community, and societal cultures which those leaders are bound to influence. If we take this mission seriously, we can be agents of exceedingly positive individual and cultural transformation.