

INTRODUCTION TO CATHOLIC SOCIAL PRINCIPLES EDUCATING HIGHLY PRINCIPLED LEADERS*

Minding the Gap: One of the more immediate problems for any organizational leader is the gap between principle and action. The Vatican II document *Gaudium et spes* calls this gap or split one of the more serious errors of our age. It is so serious that it threatens our eternal salvation: “[L]et there be no false opposition between professional and social activities on the one hand, and religious life on the other. The Christian who neglects his temporal duties, neglects his duties toward his neighbor and even God, and jeopardizes his eternal salvation” (#43).

One way the Church helps leaders to mind and overcome this gap is through the Catholic social principles. These principles make a particularly radical claim. They are not merely one set among many. They are not just for Catholics. They are not merely expressing an opinion. Rather, these principles orient us to remember who we really are and what we are really about: that we are created in God’s image and likeness; that, although fallen, we are destined for greatness in God’s kingdom, both here on earth and in heaven; and that we journey together to God by growing in holiness, love, and virtue in everything we do.

These principles are not a set of foreign ideas imposed on us to make our work more difficult. Rather they remind us of what our truest good and ultimate happiness consist in. They describe to us in universal terms what we look like when we are at our best. They draw attention to unacceptable behaviors and give general guidance about how common human problems should be remedied; and they constantly challenge us to a higher degree of integrity.

We have chosen to highlight six principles of the tradition that we believe are especially important to the life of any organization claiming to be authentically human and consequently authentically Catholic. The thrust of these principles is from the perspective of the organizational leader: what principles do I as a leader come to the organization with that form me in how I respond to the day-to-day operations of the company? What principles have I interiorized that provide me the ability to respond (responsibility) to the work I do?

1. Human Dignity (personalism): At the heart of the Catholic social tradition is the conviction that each individual human being possesses intrinsic worth simply by virtue of his or her existence as human. This worth is not merely a static possession of the person, but rather a dynamic attribute that enables an individual to become who he or she is created to be. Men and women possess an inherent dignity precisely because they are made in God’s image and are destined for union with God. This God is personal, and so every human being is a *who*, not a *what*, a *someone*, not a *something*. Because God is infinitely wise and loving, human beings show forth the image of God most authentically to the extent that they themselves become wise

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and loving persons. Recognizing the individual in this spiritual light, we begin to see the infinite potential of development and growth for each person.

What this principle means for organizations is clear: people are the end of business, they are not mere means. Their value to the company comes not only from what they do, but more fundamentally from who they *are*. The ultimate value of everything within the organizational realm, therefore, rests on the degree to which it honors or undermines human dignity. This principle lies behind the Catholic social tradition's insistence on the priority of people over things and of labor over capital. Each person is intrinsically valuable and sacred, and hence leaders should seek the authentic personal development of people associated with the organization. At a *minimum*, people ought never be treated as merely a means to some organizational plan. At its best, an organization develops people.

2. The Common Good (communitarian): The principle of the common good highlights two realities about our existence. The first is that human beings are by their very nature relational, living and developing not in isolation but within communities and institutions. The second reality is that whatever our current state of division and fragmentation, God intends the human race to be a community of persons. God has created us with an orientation not only to our own good, but to the good of others. This innate disposition reaches its full realization when we achieve solidarity with one another. This solidarity in community, as John Paul II has written, is “a firm and persevering determination to commit oneself to the common good; that is to say, to the good of all and of each individual because we are all really responsible for all.”

An organization that fosters the common good where members are in the pursuit of goods in common that build real communions among themselves in such way where its authenticity of *developing* itself is premised on *servicing* those outside itself. This understanding of the common good has two dimensions. First, organizations serve the “external” common good of the wider community when they produce goods and services that meet authentic human needs and wants, when they operate responsibly in their relationships with their stakeholders, when they provide employment that enables people to enjoy a decent standard of living, etc., that is they are serving the larger community in authentic ways. Second, and just as important, organizations promote their “internal” common good to the extent they foster the emergence of a sense of real community among their employees, so that people find fulfillment as persons precisely by engaging with others in the pursuit of the external common good – a shared goal that is truly worthwhile and larger than themselves. Employees, for example, are most connected with their organizations, when they feel they are giving themselves in such a way that a real contribution is made. Work develops people when it enables them to overcome their “inborn egocentricity by joining with other people in a common task; and to bring forth the goods and services needed by all of us for a decent existence” (E.F. Schumacher).

3. Subsidiarity (participation): This term comes from the Latin *subsidium*, which means “assistance” or “help.” It insists that, whenever possible, decisions in hierarchical institutions should be made by those who are most affected by them, and that higher authorities ought to provide whatever help those at lower levels need to make and implement those decisions. Subsidiarity is implied by the principle of human dignity: if human beings are images of God,

then they can develop authentically only if they are allowed to use the intelligence and freedom that God has bestowed on them.

As an organizational principle, subsidiarity guides the distribution of authority, responsibility, and accountability within an organization. It implies that organizations should be structured in such a way as to push control to the lowest appropriate level (division, department, group, etc.) and to provide the requisite support, including training and development, to all levels of the organization. Subsidiarity functions well when both participation and authority are simultaneously operating. In terms of participation, subsidiarity is the recognition of the immense potential of people's capacity to express their creativity in productive activity. There is little that is more deflating to a department or group when decisions are imposed upon them when they believe they should be making the decision. In terms of authority, there is little that is more unsettling to the organization as a whole than when higher levels of the organization lose their authority to act for the whole of the organization.

4. Justice (distribution): God gave humanity the earth and all it contains to support and sustain the life of all humans, excluding no one. All creation – the world's resources, property, capital, etc. – thus has etched upon it a “social mortgage” (*Sollicitudo rei soicalis*, 42). Denying legitimate access to the fruits of the earth is a distortion of God's command to humanity to care for, cultivate, and realize the potential of the natural world through our work.

The organization is one of the principal mechanisms in which the goods of this earth is distributed. Organizational leaders must account for this social dimension of created goods when they set prices, allocate wages, distribute ownership, manage payables, etc. Their decisions should aim at a just distribution that meets people's needs and rewards their contributions, while at the same time sustaining the organization's financial health.

5. Stewardship: It is said that there are two kinds of people in the world: those who take from the world's abundance and those who contribute to it. Good stewards, as scripture points out, are productive with the goods that have been placed in their care (Mt. 25:14-30). Rather than takers of creation's abundance, they produce more than what has been given to them. They use their talents and produce more with them. They realize that they are not the owners of their gifts, but rather they are part of a much larger patrimony on which they will be judged.

Within organizations, stewardship can mean at least three interrelated things. First, it involves the effective use of resources where inputs generate greater outputs indicated by reasonable levels of revenue, profit, market share, productivity, efficiency, etc. If wealth is not created, it cannot be distributed. Second, stewardship includes care for the earth and all its resources. Human beings must understand and respect the created order, and patterns of production and consumption must be evaluated regularly to avoid misusing and dissipating resources of all kinds. Third, stewardship demands fidelity to the task of sustaining and developing the mission inherited from the founders..

6. Solidarity with the poor: The poor have the most urgent moral claim on our conscience: “The Church appeals to everyone to recognize a special obligation to the poor and vulnerable to defend and to promote their dignity and to ensure that they can participate fully in society.”¹ Furthermore,

solidarity implies that we share most deeply with the poor and marginalized when we are “with” them in their plight and not only doing things “for” them.

An organization honors the claim of the poor principally through the work it creates, and the products and services it provides. While most organizations are not called directly to solve the problem of poverty, their resources often position them to play a critical role in mitigating poverty and its consequences. This can occur not only through philanthropy, but also by providing health care to underserved populations and through programs that actually integrate the poor and vulnerable into the organization itself, e.g., programs that hire and utilize appropriately the mentally handicapped, former prisoners, or individuals transitioning from public assistance.

The Importance and Limits of Principles: Taken together, these six principles can serve as resources for generating a rich moral and spiritual understanding of organizational life that can open leaders to renewed forms of effective action. They are not meant to be mere abstractions or to serve simply as policy checklists or instruments: rather, they remind us that organizational leaders are called to foster a divinely intended purpose in their work.

As important as principles are to organizational life, they have their limits. They cannot replace practically wise decision makers. These principles of action from the Catholic social tradition do not instruct us as to how they may be realized in the concrete situations of our daily work. They point the direction, but they do not show the way. They cannot replace experience, nor can they, by themselves, mandate specifics. Principles alone do not provide blueprints or technical solutions. When leaders move from principles to practices, they enter into a complex and messy field that cannot be reduced to financial or productive formulas or some Catholic cookbook on how to do layoffs or pay a just wage. They do, nonetheless, provide guidelines and orientations, and if they are embraced, especially by leaders, the principles move us to create the ground for an authentic community of work.

Yet, in engaging the principles in operational realities, we have to face the inherent tensions between the principles themselves. The tension between the principles of “solidarity with the poor” and “stewardship of resources” is real and difficult. Principles will not relieve the leader of the inherent tensions within the organization, but actually may intensify the tensions. The temptation of leaders may be to escape the tension by subordinating one principle in favor of another, but faithful ministry requires a holistic approach.

Leaders may need to place less emphasis on a particular strategic plan with various scorekeeping goals, and more emphasis on building and maintaining a rich, engaging and transcendent purpose. It is this transcendent purpose that must be witnessed in highly principled leaders of the organization who can foster a shared sense of higher purpose among the people who join them. Leaders must themselves be witnesses of a purpose greater than themselves. They must constantly strive to be faithful to this purpose even when the situations are painful and less than ideal.

Closing the Gap: So we come back to where we started: overcoming the gap or split between principle and action. We have to realize that while principles are our attempt to universalize our experience when we are at our best, we too often are less than our best. This is not something for us to be proud of, but it is something for us to be honest about. In a leadership program given by Kenneth Goodpaster to senior leaders at the Medtronic Corporation, he encouraged them “to make friends with hypocrisy.” What he meant by this is that too often we get in a defensive posture in justifying our responsibilities, which too often rejects problem areas out of hand. Instead, we should be open to the fact that we have not quite arrived, that our rich purpose and high principles have not quite permeated specific activities, organizational routines, general policies, or measurable outcomes of our organization. Here we need to take an honest look at how the social principles of Church animate our training and development programs, job design philosophy, compensation and rewards structures, evaluation methods, programs for the poor and marginalized people, billing and collection policies, environmental policies, accounting and financial practices, marketing and advertising practices, and more. It is within this type of engagement that the social principles begin to become owned rather than imposed. The social principles cannot be simply given, but must be engaged and developed in light of one’s organizational life.

ⁱ Taskforce Report on Catholic Social Teachings and Catholic Education
(<http://www.usccb.org/sdwp/projects/socialteaching/subgroup.htm>)