

An exploration of the influence of Catholic values on management practices of heads of SME's: the social doctrine of the Catholic Church put to the test within firms.

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1. Introduction

Under the cover of a research in Management Sciences done from 1995 to 2002, we wondered about the influence of Catholic values of the heads of SME's on the way they managed their employees. This survey was focused on members of a Christian Entrepreneurs and Managers' French movement called "CFPC". Our research question having at the start been motivated more for personal rather than academic reasons, we decided to first check if the topic had not already been dealt with in management science. It turned out that the research question was new and previously unpublished. While it is possible to indirectly rely on areas of management research to develop the question, there are none that have a direct relationship with the question.

Two areas were partially linked to the subject: the SME employer (in particular his ethics and values) and business ethics. However, despite their pertinence, these did not help in isolating the specificity of our topic which is linked with the Catholic character of the values examined. What was needed was an analysis of the content of what is commonly called the social doctrine of the Catholic Church (STC), a very dense doctrinal corpus which contains in particular the principles which are supposed to regulate, within the economic sphere and especially in firms, the actions of employers who are Catholic. This examination made it possible to bring out an ideal of management of Catholic inspiration.

Since the review of the available literature in management and business ethics did not allow us to come up with a satisfactory theoretical framework, we had recourse to the procedures and techniques within "grounded theory" (Glaser & Strauss, 1967 ; Strauss & Corbin, 1990). We thus progressively obtained, from the empirical data collected, an exploratory analytical model of the mode of influence of Catholic values of the SME employer on his/her management.

2. Research question

The research question was phrased as follows: in what way do the Catholic values of employers of a small or medium-sized firm influence the mode of management of their employees?

It evokes three types of successive responses which are logically inter-related. First, the desire to understand how Catholic values operate in the mind of the employer and in action presupposes a meticulous knowledge of these values. The construction of the ideal of management within the firm, according to the social doctrine of the Catholic Church, makes it possible to locate the most exhaustive set possible of principles from which the employer might draw upon. These principles provide an adequate representation of the manager's Catholic values at work since they are part of an explicit normative corpus, capable of embracing variable and incidental formulations that the manager confers on them. To demonstrate this, section 3 of this article (review of the literature) explains what the STC is and then describes the nature of the link which binds it to the adherents of the Catholic faith. Section 4 (methodology) then recounts the difficulties of constructing this ideal of

management and section 5 (results) includes a significant extract on the company manager's conception.

The second question that our research answers is the modelling, in an exploratory manner, of the process by which these values operate from the level of principles in the mind of the employer to that of practical realisations. To reflect this passage from thought to action, we will frequently make reference to the idea of a process of value. This concept is found in the research of the French theoretician of value, Louis Lavelle (1951). For Lavelle, value is indeed an act of the mind, an intentional movement of humans who look to transform an idea or a principle into concrete reality. Section 5 of this chapter (results) describes this analytical model.

Finally, the last response contained in our research makes explicit the manner and degree in which the principles of STC are present in the management of the Catholic SME employer, but also within competing values and other conditions which affect the value process. Following the description of the analytical model, section 5 presents this response in the form of a Catholic SME employer's standard ideal.

3. Review of the literature

3.1 Shortcomings of the theory and methodology of the 90s

3.1.1 The SME employer

We concentrated successively on the French and English-speaking human resource management (HRM) specialists of the SME, on the research of Michel Bauer (1993) for his sociological investigation of SME employers, and on Ingolf Bamberger (1982) for the study on the influence of the values of employers on the strategic behaviour of the company.

For the French-speaking researchers, agreement exists on several points. First of all, they note "the paradigm of specificity of the SME" (Torrès, 1998), which considers that the theoretical frameworks established for large firms do not correspond to the SMEs. All having indicated the conceptual and theoretical shortcomings which characterise HRM research on the SMEs at the beginning of the 90s, they concur on a "contingency model" (Fabi, Garand, 1994), that is to say, a representation in which the HRM practices of a SME at any given moment are the product of multiple contingency factors, as, for example, the size of the organisation (Kalika, 1995). The meaningfulness and interest of this model lie, in the opinion of the authors, in "the integration of a set of variables which come into play in the mechanisms of setting up and formalisation of the HRM practices in the SMEs" (Fabi, Garand, 1994, p. 354). The complexity and extreme diversity of these variables explain why, according to them, no research has had use of more than a few internal variables to explain quantitatively the relations in play within this interactive phenomenon.

The personality of the employer stands out as the main factor of influence on the human resource management practices, and more generally on the strategy and the management of the firm. The components of this personality (Mahé de Boislandelle, 1998) are often pointed out, but the importance that each may take on their influence on the practices of HRM has not been evaluated.

On the other hand, one notion has stood out for the majority of the researchers: that of the employer's "vision". By this is meant an "idea or sometimes a set of ideas that the

entrepreneur wishes to see accomplished; a fact; a situation to which they aspire. The vision takes the form of a desired image and then is projected into the future and this projection remains abstract as long as it has not been transformed into an image in the mind of the entrepreneur” (Fabi, Garand, 1994, p. 347). However, despite its heuristic interest, the notion of “vision” remains imprecise and its definition insufficiently stable.

The English-speaking researchers note, like their French-speaking colleagues, the existence of an important gap between the actual importance of the SME for the economy and the scientific misunderstanding which has characterised it until now. Their objective is thus to produce useful knowledge susceptible to guide the SME employer towards a better use of the employees. They likewise indicate the contradictory results obtained on the SMEs that they attribute to the newness of the topic. They confirm the research on the importance of the size of the firm on the level of sophistication of the HRM practices, and more generally on management practices, but they contradict the prejudice according to which the SME would be in some way the “poor relation” to the large firm in terms of quality of management. Finally, they underline the fact that the heads of SME’s, in the majority, are not always conscious that they may be on the brink of failure when faced with HRM problems which only increases difficulties in that the firm is growing and the methods used may be outdated (Hornsby, Kuratko, 1990). Despite certain considerations on the head of the SME which are found from time to time in their research, the English-speaking researchers are not yet interested in the topic as a main centre of interest.

At the same time, an original piece of research appeared in France which brought new light on the role of the head of the small and medium-sized firm. Bauer (1993) participated in the general movement towards the renewal of interest in the SME. As a consequence, he has gone over some of the arguments aimed at establishing a basis for the research for this type of firm. The SME has a growing role to play in the economy and are not large firms reduced in size or in power. Their uniqueness as well as their diversity are better recognized today, and size is not the only determinant of complexity. Finally, the head of a SME has a great importance for the firm, the content of its activities, its organisation and its operations.

Bauer has decided to attack the myth of the entrepreneur driven only by economic considerations. Bauer notes that “all serious discussion show (...) the successful head of the firm as somebody that takes all the decisions as a function of one type of rationality: an economic rationality” (Bauer, 1993, p. 2). His book, conversely, intends to show the pre-eminent place that political and family considerations take alongside the economic considerations. The numerous anecdotes analysed throughout the book “make it possible to see that to understand the behaviour of heads of firms and their decisions, it is necessary to understand their action as the product of different rationalities inextricably linked” (*op. cit.* p. 2)

The idea that a central conflict is at the origin of the choices and behaviour of the head of the SME is valuable. Certainly, the concept of “rationality” should not be confused with that of “value”, but Bauer’s approach suggests possible transpositions of the same type of mechanism to the latter. The evidence of Christian employers that we have studied underlines indeed the conflict of values or of obligations to which these persons, torn between economic and religious considerations, are submitted.

The sociological contribution of Michel Bauer is undoubtedly, over the first half of the 1990s, the richest source of information on what motivates the personality of the head of a SME. The

respective figures of “Homo Politicus” and of “Pater Familias” are particularly interesting to better understand what aspects of the personality of the employer are susceptible to influence the management of the employees within the SME. However, despite its richness, this conceptual framework constitutes at best a theoretical backdrop for a more specific investigation on the question of the religious values of the head of a SME and of their influence on the mode of management.

3.1.2 Values of SME employers

Ingolf Bamberger (1982) made a synthesis of this question at the beginning of the 80's. The study of the values of employers has, according to him, long been neglected, even though it conditions the style of management of the firm, its structures, the type of information that one mainly looks for, and the culture of the firm. His goal is to better explain them and then to measure their influence on the strategic behaviour of the firm. He retains the definition of value of Rockeach (1973), and then he places the concept of attitude in relation to that of value, and concludes by the special importance that the study of the latter makes for a better understanding of the behaviour of the SME employer: “in this perspective, attitudes are derived values. They have a relationship to specific objects: people have a limited number of fundamental values, but an unlimited number of attitudes.” (Bamberger quoting Rockeach, 1982, pp. 1354-1355). Bamberger later notes the recent character of the study of manager values and makes an inventory of the types of questions raised. Finally, he takes on the delicate question of their measurement, and gives the technical principles available for doing so.

The three stages of Bamberger's thinking (interest in the study of employer values, questions raised by this study, and techniques of measurements of values) set a certain number of interesting benchmarks for this theme. The questions that he asks are indeed those that anyone reflecting on the question of value must necessarily ask, beginning with the first one: what are these values?

When he published his article in 1982, he was able to base it on an already large number of North-American empirical studies on the identification of values (Hunady, 1971) certain among which concerned employers. His research has the merit of insisting on the fact that values must be identified by indicators which are adequate and pertinent evidence, which here are the normative principles of the STC for the Catholic SME employer. In addition, one may consider that, as for those of Bauer, they provide a theoretical backdrop for the topic we are dealing with by highlighting the values, other than religious, that can inspire such an employer.

We find ourselves, however, faced with a theory whose appropriateness to our objective is only partial. Bamberger's concomitant connection of two variables such as the values of the employer, on one hand, and the strategic behaviour of the firm, on the other, has the advantage of showing what particular values of the employer affect in a conclusive manner certain aspects of the strategic behaviour of the firm, but it does not penetrate the reasons for their influence.

Thus, excluding the contribution of Bauer, who deduces the behaviour of the SME employer from the conflict of rationalities within him, we had to notice, at the end of our preliminary exploration of the literature on the different fields in relation with our topic, that the theories examined were either embryonic or inadequate to our purpose.

There remained the option of turning toward the management research the best able to approach the specificity of our question, those which make the link between “business ethics” and “SME employer”.

3.1.3 Ethics of the SME employer

Two significant articles which appeared in 1994 (Hornsby, *et al.*; Smith and Oakley) survey the available knowledge on the theme of “ethics” of the SME employer. Both of American origin, they note that an understanding of the determinants of ethical values – or of the factors which structure ethical perceptions – of the 18 million women and men at the head of SMEs in the USA is very low. In addition, Smith and Oakley consider that the relation between personal values and the actions of and within an organisation is a challenge for the study of organisational behaviour because of the shortcomings of the dominant research methods in the field of “business ethics”.

3.1.4 Business ethics

In 1990, Randall and Gibson published a groundbreaking article on the nature and pertinence of the methodologies used in the area of business ethics. They show that 81% of the research is based either on questionnaires, or on scenarios. Given the importance taken by the latter procedure, they examined the weaknesses in the articles which made use of the procedure (76 out of 94). They concluded that the questions and the scenarios used were in general too vague and lacked realism while the closed questions forced the response into categories that were too narrowly defined in advance, which, on one hand, prevented the respondent from imagining a more appropriate solution to the situation submitted, and, on the other hand, is not very well suited to the state of embryonic development of business ethics.

The lengthy interview, which only represents 4% of the methods used in the survey of Randall et Gibson (1990), appeared for Liedtka (1992) to be particularly adapted for tackling the scope of decisions in relation with ethics which is the main issue in all the field of business ethics. Indeed, this methodology is by nature open to the collection of dimensions ignored by the traditional methods of quantitative surveys: the meaning that the subject gives to the action and the organisational context in which he acts. Concerning the first dimension, Liedtka indicates that it concerns not only the analytical process demanded by the fact of knowing, but perceptual and affective aspects as well. For the second one, it is a reminder of how it fashions the manner in which individuals take decisions.

Besides, if it is done correctly and is based on a relation of confidence between the researcher and the interviewee, the interview technique makes it possible to progressively pick up certain biases inherent in socially appropriate responses, exaggerated or distorted by the latter. The employer choices often depend upon unanalysed postulates and beliefs often not even explicit to the employer himself. Thus, the validity of the subject’s testimony on his/her own experience is a crucial methodological issue in research on ethics. The on-the-spot or retrospective reconstruction of thinking is so delicate that that dialogue is an irreplaceable means to aid the subject to become detached and stand back relative to spontaneous representations. In addition, the themes inherent in the field of ethics are often so sensitive that only the privacy of a conversation held in an atmosphere of confidence can prevent the phenomenon of censorship and help in the search for clues and confirmations in the subjects speech. For all these reasons, we have consequently chosen to give a preference to the data

collection method based on the specificities of interview techniques within the field of business ethics.

3.2 Definition and content of the social doctrine of the Catholic Church (STC)

The review of the literature also focused on the social doctrine of the Catholic Church. The social doctrine comprises a corpus of texts which has marked out the thinking of the Church in the economic domain since 1891. Born out of the necessity to bring an answer to that which the nineteenth century had denoted as social issues, it appears as a pronouncement of fundamental principles aimed at harmoniously regulating the relationship between employers and workers. Over the course of circumstances and political contexts, it dealt with increasingly wider problems, as, for example, that of the development of the underprivileged. Nevertheless, no matter what the theme, the authors of these documents dealt with them only if beforehand they had the conviction they were touching upon in one way or another ethical or moral dimensions, subject matters in which the Church considers itself to have since its founding something to say and a role to play. Thus, this doctrinal corpus does not have the vocation of coming up with technical solutions to the social, economic, or political questions of the moment, these being left to the initiative and responsibility to those, Catholic or not, who have the responsibility and the competence. On the other hand, the principles and the arguments which constitute the socio-economic position of the Church form the normative framework with the constant ambition of helping Catholics of all positions and social conditions to better judge the situations in which they become involved and to act in consequence.

Currently the STC is a voluminous corpus given the density that it has acquired over time. The central theme of this teaching is set out by the highest authorities of the Church (successive Popes, the Vatican Council II, and Bishop Synods). The compilation of the essential texts of the STC, both done in 1985 and updated in 1994 by the French Jesuit “Centre d' Étude et de Recherche sur l'Action Sociale” (Ceras, 1994, 1985), and by Uniapac (the International Christian Union of Business Executives) in 1991, provides evidence of the importance of Papal thinking, whose favourite vector of expression remains the encyclical. Nevertheless, taken in its entirety, the STC constitutes a literary material in which there exist disparities in the types of communication. As a consequence, not only because of its density but also because of its diversity, only a selective analysis of the content relation to our research question is of pertinence.

4. Methodology

4.1 Difficulties in treating STC

How to approach the almost 1000 pages of these two main publications? Firstly, it should be borne in mind that the STC is not a homogeneous whole. The diversity of its editors and of its editorial timetable embodies a synthesis of its permanent principles that goes beyond any historical variation. This fact can be complemented by information concerning the manner in which these principles have grown ever more explicit due to their confrontation with both social and economic events and with criticism from within and outside the Church. One should also consider how the same principles were applied to domains and problems that grew progressively wider. Next, it is necessary to resume these pages depending on the fundamental questions that condition all thinking on human resource management. In doing this, it is important to note that the expression ‘human resource management’ does not feature in the STC’s corpus. There is however a single explicit allusion to ‘human resource

management' and the 'valorisation of human resources' in the encyclical *Centesimus Annus*, delivered by Jean-Paul II on May 1, 1991, (Ceras, 1994, 1985, p. 808). Nevertheless, the sense remains general and does not address what companies usually state i.e. a service attributed to specialists or a management mission. However, even if this expression is not employed, a significant part of the STC's message consists of a very real reflection on people management. It is therefore possible to summarise a management ideal with a Catholic inspiration in seven points:

- The individual within the organisation
- The company
- The link between individual and company
- The company manager
- The link between the company manager and its personnel
- Human resource management practices
- Unionism

These different conceptions are associated within the STC with rigorous justifications of nature theological and anthropological, as well economic, political and social. These are integrated into the construction of this Catholic ideal of management that, in turn, forms part of the general model of analysis concerning the influence of an SME manager's Catholic values on his/her mode of management.

4.2 Empirical data constituting an analytical model

To define this model, we adopted as a base the method of a rooted theory within empirical data as proposed by Glaser and Strauss in 1967 and then formalised in detail by Strauss and Corbin in 1990. This approach proved itself extremely useful for the coding of the empirical data collected. The secondary data are comprised of nine testimonies from Catholic managers of different nationalities that date from 1991 (Uniapac, 1991), and also include a university thesis retracing the history of Catholic business figures in the French western city Nantes from 1930 to 1989 (Bourgoin, 1990). The primary data draws on 19 interviews with members of the "CFPC" of the French western region "Pays de la Loire" undertaken between 1998 and 1999, of which 12 are SME managers. The "CFPC" is a managerial organism founded in 1926 whose aim is to promote the Catholic Church's social doctrine within the economic world. In 2000, the "CFPC" became the "EDC" ("les entrepreneurs et dirigeants chrétiens" – Christian entrepreneurs and managers).

Nevertheless, despite its usefulness, the general model of intelligibility for social phenomena proposed by Strauss and Corbin, and which they call "paradigm of coding", proved in part inadequate for the nature of our research. It is drawn, indeed, from an "action scheme", that "reunites these approaches, particularly numerous in social sciences, that constitute these phenomena as actions, that is to say, being referred to agents or protagonists. (...) The phenomenon X is studied as a result of the sum of events (...) a result of the action of a number of protagonists (...) inserted in a given situation or system" (Berthelot, 1996, pp. 80-81). What ostensibly predominates in the phenomenon we are studying is the "dialectic scheme". It is "at work each time that a process or a story is not considered as a succession of discrete events but as the temporal deployment of a form or system driven by a tension or an internal contradiction." (*op. cit.* pp. 80-81).

An adaptation of Strauss and Corbin's approach was therefore necessary in respect of evolutions of the desired method by the authors themselves. It is certain developments in the HRM, SME and business ethics literature, as well as the foundations of the model which were to be found in Louis Lavelle's philosophical theory of value (1951) that allowed us to understand better the available data. Value must, indeed, be analysed as a dynamic process that ranges from individual sets of belief to the translation of these into a more tangible reality, rather than as a simple idea, a « thing » or a preference. Lavelle's approach integrates the routing of value, of its birth, of its ongoing activity and of its incarnation. In our understanding of the phenomenon studied, this process is dialectic. It is built on the central tension between the Catholic sphere and the profane sphere which business leaders belong to. This process branches out into local tensions such as those, for example, that oppose particular values within the thinking of a single manager (schooled in the Church's social teachings, economic liberalism and modern management). It draws on certain cognitive elements and is influenced by a very varied mix of personal and contextual determinations. However, it can safely be said that it must be understood in a teleological perspective. Indeed, the tensions and contradictions noted are included in the very real requirements of the implementation, incarnation and passage to the actual, inherent in the idea of value.

Consequently, we have used the academic literature as a potentially conceptualising instrument to confront permanently the empirical data. So, our theoretical creativity was systematically related to this data, as well as being controlled and regulated by it. In this way, the model formed itself progressively moving continuously to and from between the data and the theories' elaboration.

5. Results

5.1 The company manager, according to the STC

To give a significant view of the ideal of management of Catholic inspiration we have set up, we will underline some of the principal features of the company manager's conception. We will only examine the general profile of the leader, and not the one who claims catholic faith. Though it is also an important part of the ideal we designed, it sounds more relevant to focus on the question that is central to advanced management studies: what is the head of a company? What conception should and ought one to have of this?

We will more accurately describe the company manager through the answers to three questions: what are the main qualities expected from a leader? What behaviours does he have to privilege? Which value does the church grant to the leader's role?

5.1.1 The seven principal qualities expected in the head of a company

For John XXIII, because heads of companies in particular have to adapt their conduct to social change, they have to have "balance (...) penetration, a practical turn of mind that enables them to interpret concrete cases rapidly and objectively and a decided and vigorous determination to act promptly and effectively" (Ceras, 1994, 1985, p. 338). He also points out the importance of moral rectitude, a virtue that Paul VI, using the term honesty, is at pains to define and explain. It is based on a sound moral sense and acute sensitivity to justice and injustice (for example, with reference to workers' pay). It implies a highly upright and demanding personal conscience. The head of a company who possesses this quality seeks truth in action and word and wants for himself what is good, in line with the intimation of moral law on his conscience. Cheating or compromise with it is unacceptable. Thus,

according to the Episcopate of the United States (Uniapac, 1991, pp. 220-225), his moral obligations are not limited to the merely ethical injunctions that pervade the business environment. The larger and more powerful his company is, the more he is accountable for his actions from the moral and institutional point of view, as are the shareholders. Indeed, whether it is a question of natural resources or those created by human industry, “nobody may ever have absolute possession of capital or use it without taking account of others and everyone in the company” (p. 220). In the case of capital constituted by human means, the head of a company owes it to the work of many other people and to the help given by local communities.

Apart from the emphasis placed on honesty, Paul VI assigns two other fundamental qualities to heads of companies: skill and social sense. The first is essential; it consists in organising both men and means as rationally as possible and assumes the gathering of information, studying, travelling, reflection and hard work. It is asceticism which is counterbalanced by the right to speak out, to put his views across and to be listened to by those in his profession and by public authorities.

The second, based on the constant reminder that a business is an activity at the service of man, assumes that the head of a company has a constant concern for the human aspect of his task: a concern to allow human talent that is so varied to express itself freely; an effort to create genuine co-operation among all; a perception of the vision of the common good of his region, his nation, the continent and even human society as a whole (Uniapac, 1991, pp. 167-169). So the head of a company has to possess the following seven qualities: balance, honesty, penetration, a practical turn of mind, determination and social sense.

5.1.2 The behaviour expected from the head of a company

First of all, the head of a company, and in particular the head of a SME, has to allow his staff to have as much access as possible to the “benefits of property and the autonomy that it confers”. According to Pius XII, this appropriation of part of the capital of the company will lead the employees concerned to make more effort and give them an increased sense of responsibility “in spite of the possibly hard nature of their work” (Uniapac, 1991, pp. 144-147). Beyond this, it should encourage the fullest participation by employees in the management of the company or in the profits it procures.

Effective dialogue between the staff and their representatives is the second main action expected from the head of a company. The need for dialogue is based on an even higher necessity, that of solidarity between managers and employees. In general, this is required by the urgency of the problems of our time and in particular by the incapacity of violence and antagonism to solve anything in the world of work.

The staff has to have a better understanding of its position in the company as a whole, even if it relates to fragmented work, and has to be able to put forward proposals. Its representatives (staff delegates and unions), for their part, have to be able to perceive their situation in the company through the “fruitful collaboration” (Uniapac, 1991, p. 160) which they provide. For this to be possible, the head of the company must seek information, enlightenment and listen with interest to useful suggestions.

Lastly, it is up to the head of a company to anticipate the effects of technological development on the activities he is managing and then to try to find solutions to those that, in one way or

another, have an unfavourable effect on the employees (Uniapac, 1991, pp. 132-133). Indeed, the Church does not object to technological progress, far from it, if, that is, it remains clearly at the service of man. If it is transformed into an idol or into an icon of fatality, or an exclusive instrument of profit, it is to be condemned. Attention therefore has to be paid to the “nature, finalities and styles of the various forms of applied technology”, and their negative effects not overlooked (for example, pollution).

Heads of companies ought “to contribute to the advancement of man, of each person, without discrimination of any sort by creating the conditions that enable work in which personal capacity is able to develop hand in hand with the efficient and reasonable production of goods and services and which makes the worker realise that he is genuinely working in a field that is right for him” (Uniapac, 1991, p. 182.). This social function, which for John-Paul II has a clear ethical character, cannot be dissociated from the transformation of the company into a living community in which relations between human beings are not measured solely on criteria of efficiency.

Conscious of the heavy responsibility that the job of head of a company causes to weigh on its holder, especially when it is increased by ethical and social requirements while a serious economic crisis rages outside, the Church exhorts heads of companies to persevere in the name of the irreplaceable contribution they are making to the common good in contemporary society.

5.1.3 Value given by the Church to the function of head of a company

The Church notes that heads of companies are the indubitable agents of the continuous progress of “the civilisation of work” (Uniapac, 1991, p. 166). It emphasises their central and eminent position in contemporary society, in many respects one that is decisive for the fate of mankind, and the essential and fruitful nature of their function in which it discerns obvious greatness. It recognises in them essential qualities that on the whole derive from what tends to be summarised today as being those of an entrepreneur. Indeed, heads of companies should be publicly praised for their dynamism, their spirit of initiative, their iron will and their capacity to create and to take risks (Uniapac, 1991, p.182). They are also qualified advisers on social life and benefactors to culture (Uniapac, 1991, p. 166).

But such praise is not unconditional. Two principal dangers constantly imperil the human and social value of the function of the head of a company: ideological attachment to principles derived from Manchester-style liberalism, a group of temptations proper to human nature but which can cause heads of companies to stumble more easily precisely because of their particular and central function and position in society.

For Paul VI, “(...) it is a fact that the economic and social system engendered by Manchester-style liberalism, which still views the possession of the means of production unilaterally and for which the economy is above all intended for private profit, is neither perfection, peace, nor justice, if it continues to divide people into classes that are relentlessly opposed, if the stamp it imprints on society is that of deep and divisive conflict that torments it, only just contained by law and the agreements that install a temporary truce in the systematic and implacable struggle whose outcome is likely to be the crushing of one class by another.” (Uniapac, 1991, p. 163). This severe criticism of a socio-economic nature is enveloped in a wider condemnation of the materialistic concept of existence which, according to the Church, has taken hold of people’s minds from the 18th century onward. The result of this is that concern

for oneself alone and a single-minded pursuit of temporal and material goods, which for Paul VI are the principles inherent in this vision of the world, are not in line with the view of the Church with regard to the function and mandate of heads of companies in society.

From Paul VI to John-Paul II, this analysis was continued and deepened, but with John-Paul II appearing to be more concerned in dealing with the actions and interior motives of heads of companies where his predecessor laid more emphasis on their ideological errors.

Doubtless referring to those employers who adopted a materialistic outlook on the economy from the outset of the industrial phenomenon and before giving sustained praise to the qualities of heads of companies, John-Paul II began with this rather severe words: “in spite of the serious errors of their predecessors (...)”(Uniapac, 1991, p.182). We find here the emphasis deliberately placed by his pontificate on the resolutely individual origin of actions and sins. In another, later discourse addressed to heads of companies, he pursued this, explaining to them: “(...) what is really dangerous are the temptations that may lie in wait for your conscience and activity: the insatiable thirst for gain, easy and immoral profit, waste, a temptation for power and pleasure, untrammelled ambition, unrestrained selfishness and a lack of honesty in business and injustice towards workers.” (Uniapac, 1991, p. 194).

In the end, the Episcopate of the United States is the author of one of the most trenchant formulations of the conditions which give, or on the contrary remove, worth from the human and social value of the function of head of a company. One of them retains the idea of freedom and the other that of good. They are taken from a commentary on owners and heads of companies:

The freedoms to undertake, as well as economic and financial freedoms have to be protected, but responsibility for this freedom with regard to the common good and standards of justice also have to be ensured (...). It is the commitment to the public good and not solely the private good of their companies that fundamentally makes it possible to call their work² a vocation and not just a career or a job. (Uniapac, 1991, p. 219-220).

These considerations are not particularly addressed to Christian heads of companies by the Episcopate of the United States but to all readers of “good will” (a formula that has become customary in the Church to signify that it is not intending to speak exclusively to Christians). For this reason we may discern in it the ideal of a head of a company as seen by the Church, independently of any connection with the Catholic religion.

However, and still without it being a matter of Catholic belief, the Church clearly sees the difficulties and contradictions generated by its demands, even though it can only contribute advice that is of necessity general. Indeed, the choice of the decision-taker on what he is going to do depends on the climate and circumstances of the time and place. Two recommendations of the Episcopate of the United States are an interesting illustration of this: “heads of companies and shareholders should not be torn between their responsibilities to their organisations and those they have to society at large.” (Uniapac, 1991, p. 222). What is more, noting that the decisive criterion in relations between shareholders and managers is the profitability of investments, the American bishops make the following comment:

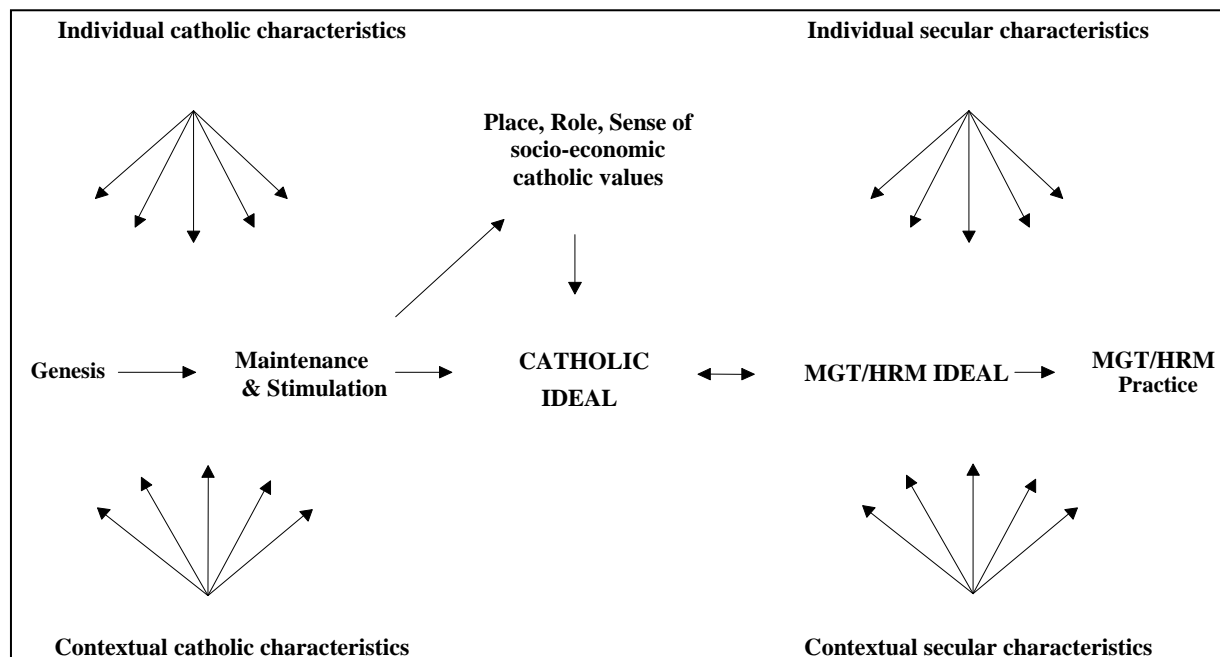
We do not think that this is the proper way to act with regard to shareholders’ decisions. How do we take account simultaneously of the rights and responsibilities of shareholders and those of the people and human groupings affected by decisions taken by limited companies? This is a complex problem that is often imperfectly understood. For this reason, we urge that in this field serious and detailed research and experiments are undertaken. More effective ways of solving these problems are essential to enable companies to serve the common good (Uniapac, 1991, p. 225).

5.2 Description of the model of analysis

One of the other main results of our study is to have stabilised a model of analysis concerning the influence of Catholic values on the head of an SME and on his/her mode of management.

This can be represented in table 1:

Table 1: Influence process of Catholic values



The left of the graph concerns the autonomous sphere of Catholic values with a socio-economic relevance. This is made up of two parts: towards the top and the bottom, the individual and contextual factors from a Catholic source that condition the different stages of the value process; in the centre, the stages prior to this process that are, respectively, the birth, the maintenance and the stimulation Catholic values, including those with socio-economic relevance. This sphere is labelled autonomous for two reasons: firstly, it characterises the milieu in which these values intersect certain conditions that are linked to the Catholic milieu; secondly, because it is the milieu in which these values are the rule. They are, in a manner of speaking, in their “own backyard.”

The centre of the model is occupied by the first two elements of content of the value process. It is considered that a manager’s level of activity of Catholic socio-economic values (maintenance and stimulation) affect primarily the place they occupy in his/her mind and, as a result, the range of domains of reality to which they apply themselves. As for the roles and the sense assigned to them, these are the fruit of complex conditioning, both Catholic and profane, with composite and contradictory effects. These socio-economic values go beyond the limits of the company. This is why the Catholic ideal of Management & HRM is seen as a specific application – within the company and to these specialized domains – that reflects the place, the role and the sense that the business leader assigns on a wider scale to these Catholic socio-economic values. In addition, according to the managers concerned, this application can be more or less intense. However, this first ideal also includes all the Catholic principles

that were discovered and used actively by the manager to address and react to unexpected human situations within the company.

This major element of content is the point of contact, of composition and of friction between the two fundamental sub-processes of value. The Catholic one, within which it is developed, maintained and stimulated. This process participates in a milieu which is both natural and familiar to value but which may also weaken it. The other milieu, heterodox, within which value must find its path until the incarnation in realities that are in principle unrelated to it, but which, for this reason, can either weaken, destroy or stimulate it. This second process in which it participates will produce the specific form of its embodiment. The first process helps to establish, within the Catholic ideal of HRM, the principles that come from the Catholic milieu and that the business manager will seek to translate into practical applications. Traces of this process can be detected in the words of managers when they refer directly to the content of the STC or to the recommendations of the “CFPC” that result from it. The second process, born of the meeting between value and the reality of company activity, aids in revealing the Catholic socio-economic values on which the manager draws in order to come to a compromise with this reality, that, sometimes presents itself, initially, as a negation of these same values.

On the right of the graph, we find the heterodox sphere of Catholic socio-economic values that signifies a collection of conditions whose common source, qualified as profane, is widely regarded as independent or neutral in relation to the Catholic reality. This sphere is composed of two parts: at the upper and lower areas are individual or contextual factors of the profane source that condition the final stages of the value process; in the middle, the stages that follow this process and which are, respectively, those concerning the establishment of an entrepreneurial ideal of Management & HRM and its translation into practical Management & HRM applications. This second ideal acts as the translator of the first ideal when tested by the reality of company activity and the characteristics that define the manager. This has two significations which are coherent with the way the Catholic ideal of HRM is constituted. The entrepreneurial ideal of HRM is, therefore, a reformulation in “managerial language” of the Catholic principles that can be practiced in a company, bearing in mind the specific individual and situational conditions that affect the value process. In this way, this ideal is not yet a true incarnation (final stage) but rather a realist translation of value. However, it also uses everyday company language to express the main actions dictated by the confrontation between the manager and the human realities of business and from which it is possible to identify the Catholic principles that serve as inspiration.

The application of this model allowed the emergence of a standard ideal of Catholic SME managers. We have called it AB.

5.3 Standard ideal of Catholic SME manager

AB comes from a Catholic family and grew up in this faith. He is not yet 50. He goes to church quite regularly and attaches a particular importance to prayer. His wife is, like him, involved in the activities of the “CFPC”. They have one or two spiritual guiding notions that are part of their lives: Jesus and his Christian brothers. AB is today close to his spiritual advisor, the priest CD. What he appreciates in CD is his proactive probing of AB concerning his actions or the sense of his faith. It is thanks to CD that AB enlarged his knowledge of the STC. The last assizes of the “CFPC” and, in large part, the testimony of François Michelin also helped develop his knowledge of the Church’s teachings.

Therefore, he would hardly evoke this corpus like his spiritual adviser, and he feels that he knows only a small part of it. But, he rather agrees with what he knows of this teaching. He often remembers these principles in his company, even if he does not always catch how to apply them.

However, he does not inevitably agree with all what the Church says, and around him, within the “CFPC”, it is similar. But, even when some positions are criticized, it should be done with reserve. Besides, he regrets the brutal departure of FG, another member of the “CFPC”, but it is perhaps a good thing because he expressed more and more his dissatisfaction about the movement. Moreover, he seemed to live a strong questioning of his belief.

AB thinks that one comes to the “CFPC” with good reasons, and when the group does not answer anymore to them, one leaves it. At 40, seven years ago, he wished to make up his mind on his faith and find the best way to apply it in the professional life. While speaking to his father-in-law, this one gave him a specimen of the “CFPC” review. He found it interesting, and decided to adhere. The majority of his group’s colleagues are by the way sensitive to the question of coherence between faith and acts in the company. The company employees often know about their engagement, even if they do not speak much about it. But, often, it is significant for them to know that their collaborators find them rather coherent in their daily behaviour.

It is not always simple to manage, and it is wise to share spontaneously one’s problems with other company leaders who share the same faith. However, the composition of the groups is not always ideal for that. There are many professionals or executives whose concerns are not really comparable with company managers. But, they are Christians too. They also come to be trained, to reflect, or to receive a support of the others in the case of "hard knock". And then, there is also the symposium, which, in one way or another, galvanizes almost everyone.

The virtue of “CFPC” is also to provide for a time responsibility for a group, and, in accordance with the national instructions, try to make the members progress. Furthermore, there are the old ones; a person like JPD, a person you would hardly meet. They are lively memories of the movement, references, since they joined the group 25 or 30 years ago. They often contributed to reform things in a positive direction; thus, JPP which militated to reduce the groups’ size several years ago.

But, ultimately, AB wonders whether a trace remain of all that: the faith, the “CFPC”, the received education, the churchmen in everyday life, in the workshops or the departments of the company that one must direct

When AB looks at his professional life, he becomes aware that he could multiply the examples where he has sought to reconcile the good of the company and that of his colleagues. In the moments of prosperity, it was no doubt easier; however, it is in the difficult moments that it was necessary to find solutions. What is certain in his eyes in any case, is that he has always wanted to consider his colleagues with humanity and to treat them with dignity. He has always shown himself to listen to the people who are going through difficult moments for professional or personal reasons. When he has had to part with certain of them, he has done his utmost for them to be able to find a job, particularly by mobilising his personal networks. If they had the potential, he has helped them to create their own company. With his colleagues, he has arranged it in such a way that they can improve and perfect themselves

every day. Thus, he remembers having entrusted a new branch to a colleague who was constantly complaining, saying to himself that there he would find a better use for his professional capacities. But without going to this extreme, he has regularly sought to reorganize the activities and work methods of his colleagues as closely as possible to the demands of their profession, without ever skimping on information and training.

AB has wanted to make of his company a true working community. In addition to a system of participation and profit sharing, he has regularly brought his staff together to inform them of the mechanisms of management and to explain to them the reasons for his economic choices. He has always refused to resort to temporary labour, preferring to build up a lasting relationship with staff. Life in the company has always been marked by moments of conviviality, such as meals or drinks taken together. With his salesmen, willingly inclined look for more individualized forms of remuneration, he has revised the forms of remuneration in a more collective way.

When the situation of the company permits it, he has tried to recruit young people in difficult situations or tried to participate in their reinsertion effort. In other circumstances he has recruited more mature employees excluded from the mainstream. The most demanding for a leader is, when faced with the multiplicity of aspirations of his staff and a variety of behaviours, to be exemplary. Thus, during several years, while the company was developing, he has openly indexed his salary on the variations in the results of his sales team. Moreover, the information on the salaries paid to all the members of the company is publicly and regularly circulated. He has sought to complement this concern for justice by working on himself so as to show himself more patient and charitable, in particular towards the most hostile or least competent colleagues. He thus helped a young, particularly maladjusted intern to continue his internship by multiplying the signs of patience and attention whereas another would have parted with her within the hour. In the same way, he attempted to explain, with pedagogy, to a colleague, whose behaviour was manifestly a source of conflict, what was expected of him and to make him measure the consequences of his acts.

AB regrets, on the other hand, his recurrent difficulties with the staff representatives. And he knows that he is not the only one in his section to experience them. He sometimes finds it difficult to understand their reactions and finds it painful to hear criticism which seems to him to be often out of step with his perception of the company or formulated by people who are not always credible in his eyes. Moreover, although he has made an effort in this area, he is not sure to have gone as far as necessary in a distribution of tasks in the company which is continually more in conformity with the real capacities of each colleague in the company. Finally, while the STC has for a long time urged Christian leaders of companies to show great imagination in solving social and economic questions, AB feels that he himself and his section colleagues, with whom he can compare, are not necessarily in the forefront of this fight. In spite of this, he is happy with his frank and open attitude towards the question of salaries, an attitude that he does not always find among his pairs.

AB wonders today whether he will be able to continue to lead the company in the future with his own style of management, a mixture of strong moral convictions, a good initial higher education and an entrepreneurial temperament. Indeed, although his company of less than 200 employees is in rather good health, the pressure of constraints of all types in the profession keeps increasing. A true race for productivity has started in the sector and it is necessary to be able to follow. Moreover, the legal norms regulating the different professions exercised by the company keep on accumulating and getting more complicated. In addition, these professions

are evolving at high speed and are becoming ever more specific each day. The deontological demands of the profession are also increasing, but in this case, it is rather good news on condition that one stays within the limits of common sense.

The other fear of AB is noting over more than ten years the importance taken on by financial power in companies. Be careful! He is the first to find it normal that shareholders should be remunerated correctly, adding willingly that these have a social responsibility towards the money they earn (the eternal topic of investment !), but that this should not be done to the detriment of the other interested parties, customers, employees, etc. He considers it abnormal to sacrifice jobs and to dismiss people in an exclusive spirit of immediate profitability. He sometimes has exchanges of this type with his section colleagues and it often happens that he notes that none of them, including himself, are protected from conflicts of values, contradictions and that, depending on the cases and proposals examined, the Christian values and those of liberal economics either get on very well together or oppose each other strongly, or compose strangely.

6. Conclusion

The standard ideal embodied by AB constitutes the ultimate state – provisional in nature – of the theoretical development prompted by the use of the different applied methodologies since the formulation of the central question posed by this research. It draws on a lively image of the SME manager and presents a series of the most recurrent conditions and elements of content that affect the influence Catholic values can have on his mode of management, taking account of the limits of the primary and secondary data studied. This confrontation with the standard ideal can be developed via the acquisition of new primary data, in order to pass from an exploratory, theoretical development to a more definitive theory of the object studied. It would be in this way that one could envisage a more precise typology of the management behaviour of SME business leaders who belong to the “EDC”.

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