

The following essay engages the vision of the Opus College of Business with the Catholic social tradition and in particular specific principles within this tradition. By engaging the substance of the Catholic social principles with business theory and practice, we hope to articulate a unique and distinctive purpose of business education. We see this essay as a draft and we hope our conversation can mature and nuance its form and content.

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**Draft: Work in Progress**

## **EDUCATING HIGHLY PRINCIPLED LEADERS** **CATHOLIC SOCIAL PRINCIPLES FOR BUSINESS EDUCATION<sup>1</sup>**

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The vision statement for the Opus College of Business (OCB) aims at “educating highly principled global business leaders.” This statement raises some obvious questions: What does it mean to be “highly principled”? There are different kinds of principles -- for example, moral principles, spiritual principles, economic principles, and management principles. How are they related? By what principles do we want our students to be guided throughout their professional careers? What are the sources of these principles? These questions and many others must be examined and explored if our vision of “educating highly principled global business leaders” is to be realized. This essay by no means exhausts the inquiries necessary to clarify and to enact our vision, but it does seek to clarify our shared understanding of principled leadership.

The aspiration to shape and inspire students to become highly principled business leaders challenges us as faculty to look first at our own beliefs, commitments and principles. How can we as a faculty hope to succeed in educating highly principled leaders if we ourselves have no shared understanding of principled leadership? In the words of a proverb, *nemo dat quod non habet* (“nobody gives what he does not have”). Exactly what principles are we prepared to give – to demonstrate – in an effort to form highly principled business leaders? If our vision is to educate highly principled leaders, do we – must we – have agreement as to what these principles are? How can a faculty drawn from many different disciplines, ideological commitments and faith and philosophical traditions share an understanding of principles that is substantive? What might these principles be? And what implications for teaching and research arise from a vision that challenges us to excellence in educating highly principled leaders?

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These are difficult questions that sooner or later must be addressed if the OCB vision is to have real meaning for faculty and a constructive impact on our students. An authentic effort to explain “principled leadership” must begin with agreement on what we mean when we use the word “principle.”

## I. DEFINING PRINCIPLES

Whether used in science, philosophy or business, the term “principle” describes a “fundamental truth or proposition that serves as the foundation for a system of belief or behavior or for a chain of reasoning.”<sup>2</sup> Principles indicate our starting points, our first order convictions. Understood in this way, a principle expresses more than a personal preference: It is a truth claim. As a rule governing personal or organizational conduct, a principle points us toward morally correct behaviors and attitudes. We all have principles of one kind or another, some acquired so early in life and others so fundamental to our way of thinking that we may not describe them as principles at all. Some are embedded in colloquial phrases (e.g., “common decency demands...”), and still others are expressed in the highest language of our cultures (e.g., “We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights...”). We all use principles in our decision making, though we may not be immediately aware of them. It is valuable, therefore, to occasionally reflect on what those principles are and whether they are satisfactory.

We want to educate our students into a business profession that provides a set of principles to guide their actions. A vision of business as a profession guided by principles may sometimes be in tension with an intuitive basis for much business decision-making, the “consequence-maximizing” principle, which seeks to maximize outcomes, performance, profits, efficiency, and effectiveness. While consequences are important in business decision making, a professional will recognize that at times principles demand sacrifices and behavior that is not utility-maximizing.<sup>3</sup>

Two other aspects of behavioral principles in general, and moral principles in particular, deserve mention here because they bear directly on managerial practice. First, principles are not self-implementing. They require intellect and will to be realized. For principles to shape our conduct effectively, we must understand them, decide to act on them, and apply them with intelligence and skill in circumstances that are changing and dynamic. In fact, the very decision to act on principle, to have the courage to do what one believes is morally correct even at significant personal cost to the leader, is itself an important aspect of what might be termed “principled leadership.”

Second, there are some moral principles, though very few, that may be called “absolute.” The ones that are tend to be negative. “Never kill the innocent deliberately and directly” is an example of such a principle. Most principles, and virtually all of the principles that guide business decision-making, are qualified, implicitly or explicitly. There can be tensions between

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<sup>2</sup> Insert source

<sup>3</sup> While we can all agree that consequences are important, the question of whether principles trump consequences really turns out to be a question of which consequences count and how they are ranked in importance as a practical matter. A solid grounding in sound principles—which we hope every professional has—will help us to maintain balance in our assessment of consequences in the face of competing pressures.

principles, but these tensions are rarely irresolvable. In practice, tensions arise either because we stretch principles too far (e.g., “protect the jobs of workers” can become “never lay off any employees”) or because we are insufficiently creative in crafting solutions that respect all principles involved.

OCB’s own vision of achieving “excellence in educating highly principled global business leaders,” may give rise to tension between principles arising from two essential, but different moral dimensions of the organization’s life. First, OCB’s institutional parent is a university rooted in the Catholic faith and its intellectual tradition and in the liberal arts, that is, in specific traditions with well-articulated and defensible principles arising from both faith and reason. The body of ideas known as the “Catholic social tradition” emerges from both a Catholic heritage and its centuries-old moral vision, and from an interdisciplinary pursuit of knowledge that has characterized the liberal arts for a millennium. The principles expressed in Catholic social thought are intended as a moral guide to economic and organizational behavior.

Second, OCB operates within and as a pluralistic culture. Faculty, staff, students and their potential employers embrace a wide range of spiritual, religious and moral beliefs. Faculty members also come out of a varied set of disciplines, whose working assumptions can differ dramatically. Moreover, these disciplines sometimes frame their core convictions in a language of moral principles.

An honest recognition of tensions that may arise between our institutional tradition and our makeup as a community raises difficult questions: How can the OCB educate “highly principled global business leaders” in a manner that engages its own religious roots and yet speaks to the plurality of the culture in which it operates? How does it avoid “imposing” a particular faith tradition, while simultaneously eschewing a weak moral pluralism that rests on nothing more than a minimal common denominator as shared ground for thought and action?

These complex questions obviously cannot be fully resolved in a short essay. We do, however, propose one important first step forward, one that may help us address tensions and dilemmas creatively and productively. That first step is to look to the Catholic social tradition for guidance.

## **II. CLARIFYING THE CATHOLIC SOCIAL TRADITION**

The body of ideas referred to as “Catholic social tradition” offers valuable help in identifying shared ground for principled thought and action. It does so in language and concepts that, while embedded in the Catholic university’s institutional heritage, also speak uniquely and directly to the economic, managerial and cultural issues which are the content and purpose of business education. The Catholic social tradition speaks from the center of its own faith, yet in terms that seek intelligent, public dialogue with those who, though not sharing that faith, share its concerns for justice, stewardship and community. The Catholic social tradition and its larger intellectual tradition are robust and clear enough to engage both the world of the academy and the world of business. The tradition respects the autonomy of the disciplines and of faculty, yet asks them to consider the moral and spiritual meaning of their work. It offers principles that are rooted in convictions about the human person and that have been examined and polished by many minds

over many years. In practice, the tradition has applied four criteria in identifying, critiquing and refining these principles: they must be: (1) theologically grounded, (2) publicly argued, (3) comprehensively engaged, and (4) institutionally embodied. A deeper look at these criteria, or characteristics, reveals their individual and combined strength.

***Theologically Grounded:*** Grounded in a theological vision, Catholic social principles are proposed as universal and as essential to moral and spiritual order. They help us remember who, as humans, we most authentically 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 other virtues in everything we do.

Within our modern academic culture that privatizes faith and marginalizes religion and spirituality as mere opinion, such a theological assertion can be seen as bold and excessive, as claiming more than it should. Such an assertion also may be an affront to some within academic disciplines who prefer to separate facts and values, who prefer descriptive to normative analysis, or who, even more radically, see business as business only, isolated from the personal, communal or moral dimensions of life. Within the Catholic social tradition, however, such forms of compartmentalization are themselves normative approaches which undermine the theological claim that business has an inherent moral and spiritual purpose.

***Publicly Argued:*** While the Catholic social tradition is deeply theological and spiritual, it is not sectarian. It is not interested in talking only to itself, but desires to speak to all people of good will. It also does not see itself as having a monopoly on the good, but honors and learns from what is true and good in all traditions. This tradition has confidence in reason, which is why it often speaks in terms of natural law. It holds that its social principles express a uniquely coherent, consistent, yet dynamic set of standards with a compelling rationale: to act out of one's best and most noble instincts, with the intention of serving the best and most noble qualities in others. It is a tradition that has confidence that its principles can be placed in dialogue with the world in a way that makes them intelligible and accessible to people of all backgrounds, religious or secular, because we are all human beings. This confidence is reflected in encyclicals and conciliar documents which are addressed to all people of good will. The popes and bishops not only think that they can speak to and dialogue with Jews, Muslims, Hindus, Buddhists, ethical humanists, and atheists, they also believe that their dialogue can lead to mutual collaboration in order to make a better world. Moreover, the philosophical character of the tradition allows these faith-inspired principles to be expressed in reason-based terms that resonate with a wide range of people.

It should be noted that the universalism which underlies the Catholic social tradition represents a serious challenge to the assumptions of the modern academy. Alasdair MacIntyre depicts the conflict in the following way:

What the Catholic faith confronts today in American higher education . . . is not primarily some range of alternative beliefs about the order of things, but rather a belief that there is no such thing as the order of things of which there could be a unified, if complex understanding, or even a movement towards such an understanding. There is in

this contemporary view nothing to understanding except what is supplied by the specialized professionalized disciplines and subdisciplines. Higher education has become a set of assorted and heterogeneous specialized enquiries into a set of introductions to these enquiries together with a teaching of the basic skills necessary for initiation into them, something to be got through in order to advance beyond it into the specialized disciplines.<sup>4</sup>

In articulating its principles, the Catholic social tradition makes a claim that is at odds with widely-accepted assumptions within our universities and within our culture. These principles are not presented merely as one set among many. They are not just for Catholics. They do not merely express an opinion. Rather, flowing out of the discernment of a particular historical community and a particular moral and intellectual tradition, they function as signposts that point us toward the *authentic fulfillment of our humanity*.

***Comprehensively Engaged:*** While a theological grounding and public argument are integral to this tradition, its full potential must be realized in an interdisciplinary synthesis, which includes business disciplines such as finance, management, marketing, accounting, etc. Business students formed in this fuller expression of the tradition will see not only the limits of particular specializations, but deeper possibilities for their own work.

An important characteristic of this publicly argued conversation over the principles is that the debate is interdisciplinary, that is, it has a comprehensive character to it. This should be obvious within a Catholic university that stresses both the liberal arts and professional education; unfortunately it is not. The values, incentives and politics of academic disciplines create and reinforce the tendency toward silo-like structures within the university. The result often impedes interdisciplinary research and teaching. Because the Catholic social tradition refuses to leave any branch of knowledge out of the discussion, it lends itself to bridging the divides in academic institutions and to creating a conversation in which all parties have a welcome and necessary voice.

***Institutionally Embodied:*** The Catholic social tradition insists that virtues such as justice and prudence be embodied in relationships that range from the family and the workplace to larger economic and political systems. Businesspeople are called by the tradition to implement its principles in the social structures in which they most immediately participate. Their challenge is to foster conditions in which people can develop and thrive. Unfortunately, professional education (and in particular business education) can distort the virtue of practical wisdom that connects moral and spiritual principles with organizational practices and policies by instrumentalizing ethical decision making to exclusively bottom-line concerns.

Much more can be said about the Catholic social tradition. Once we understand it as a theological tradition that welcomes broad input and public debate for the sake of improving institutions, we can begin to sense the rich possibilities it offers as the foundation for a shared understanding of OCB's vision. The tradition is, of course, more than a general outlook on the world; it offers a substantive set of core principles; and in this regard it holds value for the vision

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<sup>4</sup> "Catholic Universities: Dangers, Hopes, Choices," from Robert E. Sullivan (Ed.), *Higher Learning & Catholic Traditions* (Notre Dame, IN: University of Notre Dame Press, 2001) pp. 1-21.

of developing principled leaders. These core principles, well-suited to the distinctive mission of a Catholic business school, also have value because they are accessible and intelligible to any culture. Faculty members and students, embracing a wide range of beliefs and moral assumptions, will find these principles sufficiently robust to address constructively the moral and spiritual questions that attend business theory and practice.

The following paragraphs begin to explore what the shared principles look like and how they may shape our thinking as we pursue excellence in educating highly principled global business leaders. Our purpose is to advance a conversation that will yield greater clarity and substance for OCB's vision, and ultimately, to give greater meaning and value to the work to which all of us have dedicated significant portions of our lives.

### III. CATHOLIC SOCIAL PRINCIPLES

The Catholic social tradition articulates a set of principles that allows us to see what we look like at our best. They point toward a particular view of the human person and of human flourishing within community. They envision the human person as at once physical and spiritual, individual and social, reasonable and faithful, morally free and responsible. This understanding of the human person obliges a Catholic business school to educate the *whole* student, engaging him or her with attention to both faith and reason, virtue and *techne*, vocation and work, principle and policy, and so forth. Through this intellectual engagement the student is encouraged to see things whole.

We begin with first order convictions (human dignity and common good) out of which flow organizational principles (dignity of work, community of work, subsidiarity, etc.). While there is often congruence between these principles and the conventional "body of knowledge" in the business academy, there can also be tension between these principles and what has been called the economic paradigm within business theory and practice. We will highlight some of those points of congruence as well as tension.

#### A. First Order Convictions: Human Dignity and the Common Good

**1. Human Dignity:** 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 attribute 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 they are called to be in community with God and with other human beings. Catholic theology as well as other religious traditions understand God to be personal. This means that every human – each being made in God's image -- is a *who*, not a *what*, a *someone*, not a *something*. The same theology also understands God to be infinitely wise and loving; it follows, therefore, that human beings show forth the image of God most authentically to the extent that they themselves become wise and loving.

**2. The Common Good:** The common good highlights two realities about human existence. The first is that persons are by their very nature relational: they are born into communities and they live and develop within communities and institutions, not in isolation. The second is that whatever our current state of division and fragmentation, God intends the human race to be a community. More specifically, we are called to become a community of persons who work together for goods held in common, such as security and safety, strong families, good education, decent standards of living, honest political arrangements, and a vibrant culture. We are created with an essential linkage between our personal goods and the good of others.. We cannot become good persons unless we intend our lives to serve others' good as well as our own; and a vital way that we live for and with others is through institutions. When we begin to order our particular or individual goods to a common life, we begin to establish relationships that are not merely contractual or mutually self-serving exchanges.

The language of “human dignity” and “the common good” can help business leaders address the tension that inevitably arises between the interests of the one (the person) and the many (the organization or society). A fundamental part of the leader’s vocation is to manage and harmonize these tensions, to promote simultaneously the good of the individual and the good of the whole, to connect and integrate them. The leader who struggles with the challenge of building organizations may find value in “human dignity” and “the common good” as terms that describe these equally desirable goals. How do we respect each person without creating an entitlement culture that undermines the good of the whole? How do we work for the good of the institution and society without violating the dignity of each person? How might we encourage the many to work as one toward a good that includes the good of each individual and the good of the group as well?

These two basic convictions can come into tension with the economic paradigm that strongly influences some business disciplines. One of the primary assumptions of this paradigm is that human beings are by nature solitary individuals who are motivated principally by utility maximization. Defined by self-interest and operating in a competitive world, people are rationally opportunistic individuals who regularly seek to satisfy their own preferences. On this view, society is not a community but a collectivity, a context in which individuals fulfill their needs and wants. Were it possible to satisfy individual needs and desires without others, so much the better, since social life inevitably imposes constraints on the pursuit of individual happiness. The “common good” of a society according to this viewpoint is best served by the balance of liberties and protections that maximizes the practical opportunities available for individuals to pursue their self-interest.

## **B. Organizational Principles**

Out of the Catholic social tradition’s vision of human dignity and the common good flow six principles that provide more specific guidance for organizations. Collectively, these organizational principles provide a coherent and consistent basis for managerial theory and practice that honors human dignity and serves the common good. Individually, each principle bears some resemblance to commonly accepted wisdom within business practice. Yet there are differences that must also be acknowledged. Some of these differences are differences of *kind*, while others are differences of *degree*.

**1. The Dignity of Work and its Subjective Dimension.** Through work people affect and change objects and relations outside and beyond themselves. Yet work has more than this objective capacity; it is not only about goods and services. The worker, the subject of work, is also affected and changed; manager, nurse, engineer or janitor, the person at work is changing the world *and* his or her own self. In the short term, work may lead to the worker's exhaustion, inspiration, weakness, vigor, dullness, stimulation, or education. . In the long run, work may affect a person's health, mental well-being, relationships and spiritual life. Because work changes us, it has the potential either to enhance or to suppress human dignity. This is why "the sources of the dignity of work are to be sought primarily in the subjective dimension, not in the objective one."<sup>5</sup> In one sense, then, there is no difference between the one who "pours the coffee" and the one who runs the coffee company: both are workers, and their work has the potential either to develop or to suppress their personal growth and dignity.

In business practice and in academic research, recent decades have witnessed an emphasis on quality of work life, enhanced job design and continual training, particularly in the area of intellectual skills. In its own way, each of these practices reflects an understanding of the subjective nature of work. Still, strong emphasis on empirical and quantitative data in practice and in scholarship can distance some business disciplines from work's subjective dimension. Human resource management and strategic management, for example, often address labor as "human capital," a commodity owned by the worker and appropriately exchanged by means of the market. Work's value lies almost exclusively in its objective and measurable dimensions. Effects external to the worker -- production and wages or rewards -- are what matter. From this perspective, work is good to the extent that it is useful to others and to the extent that it brings the worker valuable possessions or valued experiences. The extreme of this position suggests that for the worker, the only bad work is poorly compensated work. Human dignity and work's effects on the worker are subsumed in the wage equation.

**2. The Workplace as a Community of Work.** John Paul II expresses the principle of a community of work in the following way: "It is characteristic of work that it first and foremost unites people. In this consists its social power: the power to build a community." A challenge for any organization is to build a community of work where a group of people act toward a good they can share in common, and where the authenticity of the organization is premised on *servi*ng those within the larger society. 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."<sup>6</sup> A community of work reveals to us that when we are at our best, our bonds of communion are not merely contracts or mutual self-interests but goods shared in common with employees, customers, suppliers, investors, society and ultimately with God. These bonds of connection build simultaneously better businesses *and* better lives.

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<sup>5</sup> John Paul II, (*Laborem excerens*, 6.)

<sup>6</sup> E.F. Schumacher, *Good Work*, 118.

A commonly accepted economic paradigm on the other hand, holds that the corporation is a nexus of contracts not a community of work.<sup>7</sup> According to this view the first and foremost purpose of a business is to maximize the wealth of the owners of the enterprise. All business activities are properly subordinated to this function, just as instrumental goals and activities are subordinated to a final goal. More specifically, the executives and managers of the enterprise, as agents of the owners, have a special duty to try to manage the wealth produced by the organization's activities for the benefit of its owners. While they are constrained in principle from engaging in illegal and unethical activities in pursuit of this goal, they should take advantage of any reasonable opportunities to maximize shareholders' return on equity. Benefits conferred upon employees, customers, communities, suppliers, and others must be justified in terms of the returns these benefits may reasonably be expected to bring to the shareholders of the company.

On the other hand, in recent decades research in organizational behavior and development has focused attention on managerial practices that shape and reinforce healthy corporate cultures for their own sake. An interest in climate surveys, team development and the manager's intuitive and interpersonal skills point as well to valuing the manager's role in developing and nurturing community at work.

**3. The Importance of Subsidiarity/Participation.** "Subsidiarity" comes from the Latin *subsidium*, which means "assistance" or "help." In Catholic social thought, the concept of subsidiarity guides the distribution of authority, responsibility and accountability within organizations. It insists that decisions in hierarchical institutions should be made at the most appropriate level (division, department, group, etc.). Higher-level authorities carry responsibility for decisions and actions which affect an entire organization. Yet these authorities should neither supplant nor absorb the work or responsibilities of those in lower levels. Furthermore, they ought to provide the necessary support – for example, training, development and information – required to help those at lower levels exercise their responsibility effectively.

Subsidiarity is implied by the principle of human dignity, which posits that human beings are images of God; authentic human development, therefore, requires that people be allowed to use the intelligence and freedom bestowed on them by God. Subsidiarity recognizes the immense potential of humans to express their creativity in productive activity, and hence the value of worker participation. It allows decision making to seek its proper level, so that the organization as a whole benefits from all employees' talents and experience, and employees reap the benefit of participation in challenging and rewarding tasks. Firms that honor this principle also stand to benefit more fully from the expertise of senior managers, who are freed to concentrate on strategic and long-term matters affecting the enterprise as a whole.

Several business disciplines, general management, operations and organizational behavior in particular, have been supportive of participative systems that better tap the talents and creativity of workers by pushing decision making down into the organization. These systems typically are

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<sup>7</sup> The German sociological distinction between *Gemeinschaft* (community) and *Gesellschaft* (society) underlies the difference between the corporation understood as a community of work (*Gemeinschaft*) and the corporation understood as a society of shares and interests (*Gesellschaft*).

justified on the basis of their *instrumental* impacts: they result in employees who are more satisfied and hence more productive; they encourage responsiveness in problem-solving; and they lead to cost, quality, and delivery improvements. At first glance, the principle of subsidiarity seems to be in harmony with this perspective. Yet subsidiarity insists that participation is not merely a good valued for its economic benefit. Participation also fosters human development; thus, it possesses a moral dimension. Absent meaningful participation, the human person is reduced to a mere cog in the production or service process. The challenge for the practically wise leader is determining the nature and degree of participation appropriate to different roles within the organization, and effectively integrating these decentralized activities so they benefit the entire firm.

**4. The Universal Destination of Material Goods.** If one accepts, as the Catholic social tradition does, that God’s creation is intended for everyone -- rich and poor, powerful and weak, now and in the future -- then it logically follows that earth’s resources are conferred on humankind with a kind of “social mortgage.”<sup>8</sup> Catholic social thought understands this obligation as applying to property and capital as well, suggesting that resources may be owned and used, but not entirely or exclusively for one’s own interests. The principle of “the universal destination of goods and the right to common use of them,”<sup>9</sup> applies to the socioeconomic order as well as to individuals and businesses. The principle holds that businesses and their leaders must account for the distributory effect of goods and services in the way they set prices, allocate wages, distribute ownership, manage payables, etc. Their decisions should aim at a just distribution of wealth, meeting people’s needs and rewarding their contributions, while at the same time preserving and promoting the organization’s financial health. Denying legitimate access to the fruits of the earth, especially the means to sustain one’s life, is a distortion of God’s command to humanity to cultivate the earth, to care for it and to discover and use its potential. While profitability is the first indicator of organizational health, it is not the only one, nor the most important one by which business should be judged.

Compare this to the paradigm guiding a dominant market oriented approach to business theory and practice, that looks only to market forces to determine optimal resource allocations. This view holds that wealth properly belongs to those who make, or are capable of making, the greatest contribution to providing what the market values most highly, as mediated through the impersonal forces of supply and demand. Society benefits to the extent that the most talented and skillful people make energetic use of their talents and skills, but these people require financial incentives. So rewarding the best and the brightest may result in vast inequalities in the distribution of income and property; however, society is still better off overall and should tolerate such inequities as the unavoidable byproduct of economic progress.

**5. Leadership as Stewardship.** Good stewards, as Scripture points out, are productive with the goods that have been placed in their care (Mt. 25:14-30). As heirs of a patrimony that includes the natural resources of the earth as well as the fruits of the work of their predecessors, leaders realize that they are not the ultimate owners of the gifts entrusted to them; rather, these goods and abilities are an inheritance which they are called to care for and build up. Rather than merely taking from creation’s abundance, they use their talents and skills to produce more from what has

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<sup>8</sup> John Paul II, *Sollicitudo rei socialis*, 42.

<sup>9</sup> John Paul II, *Laborem exercens*, 14.

been given to them. They are called upon to make organizations stronger and more durable for the future so they can serve the common good. Good stewardship entails effective use of resources, i.e., generating greater outputs from inputs, as indicated by reasonable levels of revenue, profit, market share, productivity, efficiency, etc. It demands constantly reducing waste within the various operations of the business. If wealth is not created, it cannot be distributed, thus limiting the potential suggested in the principle of universal destination of goods.

In daily practice, accounting and operations performed with excellence embody this stewardship thinking. As a profession, accounting understands itself to be both an honest steward and a partner in managerial decision-making. By responding to data needs, both in developing reporting systems and targeting key information, good accounting makes effective organizational stewardship possible.

There are other Catholic social principles that relate to business and organizational life. Solidarity with the poor, care for environment, the priority of labor over capital, and the right to association are examples. What we find is that some of the principles find a real resonance with certain business disciplines and practices, whereas others do not. Perhaps the biggest contrast between Catholic social principles and conventional business theory and practice stems from the view of rationality that lies in the background. Some business disciplines tend to reduce business activity to maximizing shareholder wealth as though leaders in business were merely economic technicians whose ultimate goal is increasing wealth for capital holders. The Catholic social tradition argues, however, for a *moral* rationality where the end that business serves orients leaders toward creating conditions that develop people and serve the common good. This relationship between means and ends takes seriously the good ordering of one's personal character within business. It also takes seriously the possibilities of that good ordering to deepen and strengthen the communal life within business.

#### **IV. THE LIMITATIONS OF PRINCIPLES.**

Taken together, these principles help generate a moral and spiritual understanding of organizational life. They can open leaders to new (and renewed) forms of effective action. They are not meant to be moral abstractions, or to serve simply as policy checklists; rather, they remind us that organizational leaders are called to do great things in their work.

As important as these principles are to organizational life, we should not ask more from them than they can deliver. They cannot replace experienced decision makers with practical wisdom. Principles do not specifically instruct us as to how they may be realized in the concrete situations of daily work. They do not provide blueprints or technical solutions, nor are they meant to. Principles indicate a direction, but they do not show the way. Furthermore, principles cannot replace virtues, those life-enhancing habits and qualities of character that are essential to any "principled person."

When leaders move from principles to practices, they enter into a complex and messy task, and the needed solutions cannot be reduced to moral, financial or operational formulas. For example,

there is no Catholic recipe for how to do layoffs or pay a just wage. Nevertheless, the principles provide morally helpful guidelines and orientations. If they are embraced by practically wise leaders, they can help create the foundation for an authentic community of work.

Finally, while Catholic social principles help us capture and universalize an experience of what “we are like at our best,” too often we are less than our best. This is not something to be proud of, but it must be faced honestly. We need “to make friends with hypocrisy.” Too often we become defensive about our actions, rejecting concerns, problems or issues raised by others. Instead, we should be open to the fact that we have not quite arrived, that the rich purpose and high ideals of our principles may not fully permeate the specific activities, organizational routines, general policies and outcomes of our organizations. This is as true for the principles of the Catholic social tradition as it is for other principles. We need to take an honest look at our organization’s operations in light of the social principles: training and development programs, job design, compensation and reward structures, evaluation methods, billing and collection policies, environmental policies, accounting and financial practices, marketing and advertising practices, outreach to the margins of our communities, and more. We may find ourselves attracted to the noble aspirations articulated by these principles, yet unable or unwilling to do the difficult work of connecting them to specific policies, processes, practices, metrics or organizational outcomes. So we settle for managing appearance rather than making substantive changes. In the words of Andre Delbecq, “We seem to have a sense of what we yearn for, but behavioral specificity is thin.”

## CONCLUSION

There is obviously more to be said about Catholic social principles and the nature of “principled leadership” in general-- about what constitutes a worthy principle, the limits of principles, the relationship between principles and virtues and duties and so forth. The question for us in the OCB is how we can participate together in the vision of “educating highly principled global business leaders.” If we can better understand the relationship between the deepest dimensions of our Catholic mission and identity and the increasing complexity of business education, if we can effectively engage the question of *which* “principles” we can bring to students as a coherent, practical and integrated whole, then we may become a beacon of light in this world, rather than just another purveyor of degrees. But this is not an easy task. As a faculty we have a lot of questions to talk about, among them:

- Can we educate our students to be “highly principled leaders” without first being committed to a common set of principles within our own organizational life?
- What are the possible tensions and contradictions between our business disciplines and Catholic social thought?
- Where do our perspectives disagree with Catholic social principles? And where do we share a commitment to them?
- What contributions can be made when there is a robust and honest dialogue between our business disciplines and theological and philosophical convictions and the Catholic social tradition?
- How can each of us identify the principles that drive our teaching and research?

- What is our “level of communion” amid pluralism regarding philosophy and faith? Is there a pluralism that complements and a pluralism that fragments?

Some of us are more than ready to grapple with these questions. Some, discovering the principles of Catholic social thought may say, “Sign me up!” Others will respond differently. Our own primary interest in writing this essay has been to invite a deeper look into the possibilities offered by our identity and vision as a Catholic business school. We are convinced that the principles of Catholic social thought support our shared desire for excellence in educating highly principled leaders; they also hold promise in helping us shape and maintain our own vibrant community of work. Success depends on our collective desire to explore the possibilities. We look forward to the conversation.